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LEGISLATIVE HISTORY

Public Law 86-472
H. R. 11510

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DIGEST OF PUBLIC LAW 86-472

MUTUAL SECURITY ACT OF 1960. Requires that not less than $175 million of mutual security funds shall be used to finance the sale for foreign currencies of surplus agricultural commodities. Authorizes $2 million for payment of ocean freight charges to move supplies donated to and by American voluntary agencies. Authorizes $206,500,000 for technical cooperation programs. Authorizes for 1 year until June 30, 1961, the use of surplus agricultural commodities on a grant basis to meet the requirements of needy people and to promote economic development in underdeveloped countries. Authorizes the payment of transportation charges to points of entry in landlocked countries for shipments of supplies under the Mutual Security Act or under Public Law 480. Authorizes loans, up to an aggregate of $10,000,000, in underdeveloped nations to associations of operators of small farms to provide assistance designed to improve agricultural methods and techniques. Provides that plans for water and land resource projects in foreign countries shall include a computation of benefits and costs made insofar as practicable in accordance with the procedures set forth in Circular A-47 of the Budget Bureau with respect to such computations. Provides that the President shall have a study made of the functions of, and the degree of coordination among, agencies engaged in foreign economic activities, including the Department of Agriculture, for providing the most effective means for the formulation and implementation of U. S. foreign economic policy. Expresses the sense of Congress that the United States favors freedom of navigation in international waterways and economic cooperation between nations, and that assistance under the Mutual Security Act and Public Law 480 shall be administered to give effect to these principles. Provides that an additional purpose of the Development Loan Fund shall be the development of free economic institutions and the development of agriculture as well as industry. Authorizes ambassadors abroad to issue regulations governing the extent to which officers and employees of U. S. Government agencies and contractors abroad might receive their pay and allowances in dollars or in local currency. Requires the President to have a study made of the advisability and practicability of establishing a Point Four Youth Corps to train young people to serve abroad in programs of technical cooperation. Repeals Sec. 308 of the Mutual Security Act which provided for the establishment of the International Development Advisory Board.

Digest of CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

Issued February 17, 1960
For actions of February 16, 1960
86th-2d, No. 26

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HIGHLIGHTS: Both Houses received the President's foreign aid message. House passed Interior appropriation bill. Rep. Roosevelt commended decision to continue lamb grading. Sen. Ellender and Rep. Staggers introduced bills to establish policy for multiple use management of forests.

HOUSE

1. APPROPRIATIONS. Passed with amendment H. R. 10401, the Interior and related agencies (including Forest Service) appropriation bill for 1961. pp. 2446-59
Agreed to an amendment by Rep. Gross prohibiting the use of appropriations in this bill for the purpose of supporting or defeating any legislation proposed or pending before Congress. p. 2459

2. PERSONNEL. The Ways and Means Committee reported without amendment H. R. 9881, to extend for two years existing provisions relating to the free importation of household goods brought into the U. S. by personnel under Government orders. (H. Rept. 1267). p. 2469
Rep. Toll urged consideration of legislation to increase the salaries of Federal employees. pp. 2462

3. SUGAR. Rep. McCormack urged that the Philippine share of the foreign sugar quotas be increased so that the "injustice resulting from the exclusion of the Philippines in the 1956 revision of sugar quotas would be remedied." pp. 2460-2

4. LAMB GRADING. Rep. Roosevelt commended Secretary Benson for his decision to continue lamb grading and called it "a significant victory" for "small business and the consuming public." He said, "As for the new specifications, I think we must await their application to determine their effectiveness and fairness." pp. 2468-9

5. TAMPICO-FIBER IMPORTS. The Ways and Means Committee reported without amendment H. R. 9861, to continue for a temporary period the existing suspension of duty on certain istle and Tampico fiber (H. Rept. 1268). pp. 2469-70

SENATE

6. MUTUAL SECURITY PROGRAM. Both Houses received the President's message recommending continuation of the mutual security program. The President requested a total authorization of $4.175 billion for the fiscal year 1961 program (H. Doc. 343). pp. 2388-91, 2413-6

7. FARM PROGRAM. Sen. Bridges inserted a newspaper editorial commending the President's farm message as constructive and stating that "In none of this is there any quick cure for deep ills accumulating from generations of politically inspired tinkering with the fundamental laws of supply and demand." pp. 2366-7

8. FORESTRY. The "Daily Digest" states that the Interior and Insular Affairs Committee, in executive session, "considered various amendments to S. 1123, to establish a National Wilderness Preservation System, but took no action thereon, and will meet again on Tuesday, February 23." p. D108

9. PERSONNEL. Received from the Civil Service Commission a report "on positions filled under the Classification Act of 1949, in grades GS-16, GS-17, and GS-18." p. 2332

ITEMS IN APPENDIX

10. FOREIGN AID. Extension of remarks of Sen. Wiley inserting his statement urging a "strong, muscular mutual security program." p. A1254

11. RURAL DEVELOPMENT. Extension of remarks of Sen. Morton favoring expansion of the self-help rural development program and inserting an article from the Kentucky Dept. of Agriculture Bulletin, "Under Secretary Morse Visits Butler County; Lauds Rural Development Work." pp. A1258-9

12. FOOD; POPULATION. Extension of remarks of Rep. Cunningham inserting an article "Food Explosion Versus Population Explosion -- Nature Seeks Cooperation, Not Frustration," and stating that it "brings up a previously unpublicized relationship between diet and population and makes telling points about the untapped food production resources in the world." pp. A1290-2

13. ELECTRIFICATION. Rep. Johnson, Colo., inserted an address by Leland Olds, former member of the Federal Power Commission, "The Power Issue Today." pp. A1300-2

86TH CONGRESS } HOUSE OF REPRESENTATIVES { DOCUMENT
2d Session } { No. 343

MUTUAL SECURITY PROGRAM

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

RELATIVE TO

THE MUTUAL SECURITY PROGRAM

FEBRUARY 16, 1960.—Referred to the Committee on Foreign Affairs and ordered to be printed

To the Congress of the United States:

A year ago in my message to the Congress on the mutual security program, I described it as both essential to our security and important to our prosperity. Pointing out that our expenditures for mutual security are fully as important to our national defense as expenditures for our own forces, I stated that the mutual security program is not only grounded in our deepest self-interest but springs from the idealism of the American people which is the true foundation of our greatness. It rests upon five fundamental propositions:

(1) That peace is a matter of vital concern to all mankind;

(2) That to keep the peace, the free world must remain defensively strong;

(3) That the achievement of a peace which is just depends upon promoting a rate of world economic progress, particularly among the peoples of the less developed nations, which will inspire hope for fulfillment of their aspirations;

(4) That the maintenance of the defensive strength of the free world, and help to the less developed, but determined and hard working, nations to achieve a reasonable rate of economic growth are a common responsibility of the free world community;

(5) That the United States cannot shirk its responsibility to cooperate with all other free nations in this regard.

It is my firm conviction that there are only a few in the United States who would deny the validity of these propositions. The overwhelming

support of the vast majority of our citizens leads us inexorably to mutual security as a fixed national policy.

The mutual security program is a program essential to peace. The accomplishments of the mutual security program in helping to meet the many challenges in the mid-20th century place it among the foremost of the great programs of American history. Without them the map of the world would be vastly different today. The mutual security program and its predecessors have been an indispensable contributor to the present fact that Greece, Turkey, Iran, Laos, Vietnam, Korea, and Taiwan and many nations of Western Europe, to mention only part, remain the home of free men.

While over the past year the Soviet Union has expressed an interest in measures to reduce the common peril of war, and while its recent deportment and pronouncements suggest the possible opening of a somewhat less strained period in our relationships, the menace of Communist imperialism nevertheless still remains. The military power of the Soviet Union continues to grow. Increasingly important to free world interests is the rate of growth of both military and economic power in Communist China. Evidence that this enormous power bloc remains dedicated to the extension of Communist control over all peoples everywhere is found in Tibet, the Taiwan Straits, in Laos, and along the Indian border.

In the face of this ever-present Communist threat, we must, in our own interest as well as that of the other members of the free world community, continue our program of military assistance through the various mutual security arrangements we have established. Under these arrangements each nation has responsibilities, commensurate with its capabilities, to participate in the development and maintenance of defensive strength. There is also increasing ability of other free world nations to share the burdens of this common defense.

Obviously, no one nation alone could bear the cost of defending all the free world. Likewise, it would be impossible for many free nations long to survive if forced to act separately and alone. The crumbling of the weaker ones would obviously and increasingly multiply the threats to those remaining free, even the very strongest.

Collective security is not only sensible—it is essential.

That just peace which has always been and which remains our primary and common goal can never be obtained through weakness. The best assurance against attack is still the possession and maintenance of free world strength to deter attack.

The nations of Europe are increasingly assuming their share of the common defense task. None of our NATO partners other than Greece, Turkey, and Iceland now requires nor receives any economic assistance. Indeed, in rising volume, these nations are now providing economic assistance to others. Our NATO allies are also meeting their military needs to an increasing degree; several major countries now require no help. Our military programs in NATO countries today are largely designed and executed as joint cost sharing arrangements whereby vital additional defense needs are met through mutual effort.

It is clear that while every possibility to achieve trustworthy agreements which would reduce the peril of war must be explored, it would be most foolish to abandon or to weaken our posture of common deterrent strength which is so essential a prerequisite to the explora-

tion of such possibilities. The need is for steadfast, undramatic, and patient persistence in our efforts to maintain our mutual defenses while working to find solutions for the problems which divide the World and threaten the peace.

The mutual security program is a program essential to world progress in freedom. In addition to its mutual defense aspects, it also is the American part of a cooperative effort on the part of free men to raise the standards of living of millions of human beings from bases which are intolerably low, bases incompatible with human dignity and freedom.

Hundreds of millions of people throughout the world have learned that it is not ordained that they must live in perpetual poverty and illness, on the ragged edge of starvation. Their political leaders press the point home. In a variety of ways this drive is moving forward by fits and starts, often uncertain of its direction. It is sometimes involved in free world struggle against communism, sometimes not. It is clearly in the interests of the United States that we assist this movement so that these countries may take their places as free, independent, progressing, and stable members of the community of nations. It is equally clear that it would be against our interests if this forward movement were stifled or hindered. The result would be to breed frustration and explosive threats to political and economic stability in areas around the world.

Equally with military security, economic development is a common necessity and a common responsibility. An investment in the development of one part of the free world is an investment in the development of it all. Our welfare, and the welfare of all free men, cannot be divided—we are dependent one on the other. It is for each of us, the strong and the weak, the developed and the less developed, to join in the great effort to bring forth for all men the opportunity for a rewarding existence in freedom and in peace. World economic expansion and increase in trade will bring about increased prosperity for each free world nation.

New challenges, with corresponding opportunities, are now visible before us: the acceleration of the achievement of independence of peoples in Africa; the growing restlessness in the less developed areas; and the increasing potential for partnership and assistance to these areas as a result of the continued growth of the now healthy economies of the industrialized Western European nations and of Japan, Canada, and Australia.

Free world cooperation is becoming the watchword of this effort. In the past year the capital of the International Bank for Reconstruction and Development was doubled and that of the International Monetary Fund was increased by half. In addition, a U.S. proposal for an International Development Association to be affiliated with the International Bank for Reconstruction and Development has been accepted in principle and a draft charter recently has been submitted to member governments. I expect to transmit to the Congress recommendations on this matter in the near future. The industrialized nations of Europe, together with Japan and Canada, are notably stepping up their participation in cooperative efforts among themselves and with the less developed countries to promote growth. Similar approaches will be discussed at a meeting of representatives of a number of nations, to be held in Washington in March.

In our own Western Hemisphere society of nations, we are now joined in a great new venture, the Inter-American Development Bank. This new institution, formed in partnership with our neighboring nations, should prove of immense value in promoting the more rapid development of the member nations. Our participation in this joint effort is significant of the special interest which we have in the progressive development of our neighbors. Together with the very considerable dimensions of private and government investment taking place in the hemisphere, and the mutually beneficial technical cooperation we have so long enjoyed with our neighbors, it should serve to accelerate progress.

Thus the military and economic resources which we provide through the mutual security program, to help create and maintain positions of strength, are properly to be regarded as what they are—investments in the common defense and welfare and thus in our own security and welfare. This is a *mutual* security program.

Our concepts are sound, our policies of proven value, and our will to meet our responsibilities undiminished and constant.

The Proposals for Fiscal Year 1961

The form and general structure of the mutual security program for fiscal year 1961 remains essentially that which has stood the test of experience. In the administration of the various mutual security programs, changes have been instituted in organization, programing, and management controls. It was in part for the purpose of analyzing and making recommendations for improving the administration of the program that I appointed last year a distinguished group of citizens headed by General Draper. Many of the recommendations that they made have already been put into effect. We are constantly seeking additional management improvements to meet the program needs and difficult problems of operating these diverse programs on a worldwide basis. The categories of activity are the same as those with which the Congress is familiar. Adjustments in the nature and dimension of activity are proposed which reflect and are responsible to the changes in the world scene, in the degrees of need and of capability for self-help. These adjustments also are consistent with an analysis of future needs and of future changes and capability for self-help. This forward analysis was, in part, conducted in conformance with the requirement of law that plans of future grant economic assistance be developed and presented to the Congress. The detailed plans and conclusions on future assistance will be submitted to the Congress in the near future.

Military Assistance

For military assistance I am requesting in the pending Department of Defense budget an appropriation of $2 billion. This is more than was requested, or than was provided for fiscal year 1960. The request for a larger appropriation is not made in order to increase the proportionate share of U.S. participation in the common defense. Nor does it reflect an intent to embark on a vast expansion of the military assistance program.

The amount requested for military assistance within the Defense budget is in my considered judgment, and in that of the Joint Chiefs

of Staff, a need for our defense equally compelling and of equal importance with the needs of our own services provided for elsewhere in the Defense budget.

The amount requested is the result of careful and detailed review of the needs of our allies to enable them to maintain the level of combat effectiveness made possible by previous military assistance and to provide, mostly on a cost-sharing basis, for certain essential force improvement projects. Without adequate provision for maintenance, the moneys previously spent would be largely wasted. And without force improvement, without the provision of more advanced weapons, the free world forces would inevitably fall behind in their ability to counter modernized aggressor forces.

The fact, if it is a fact, of reductions in Soviet military manpower does not alter the need for the maintenance of our collective defense. Soviet military power, as Mr. Khrushchev's own statements make clear, remains great. Our plans have never attempted to match Soviet armed manpower; they have been and are designed to deter aggression. Of special importance is the maintenance of a strong and effective deterrent posture in the NATO alliance. As indicated earlier, the improving economic position of Western Europe as a whole makes it possible for Europe to share increasingly in the cost of the common defense, and for certain major European countries to maintain their defense efforts without U.S. assistance. At the same time, the requirements for modernization and improvement are of such dimension that our participation in joint cost-sharing projects with certain European countries over the immediate future is still essential. Provision for such contributions is included in the proposed program.

The amount requested for fiscal 1961 is consistent with the recommendations of the bipartisan committee of distinguished citizens headed by General Draper, which I appointed last year to review our policies and programs. This committee strongly urged the maintenance of a delivery program of approximately $2 billion annually. In recent years, annual deliveries have averaged about $2.2 billion. Deliveries in fiscal year 1960, however, reflecting the reduced appropriations of recent years, will fall back to $1.8 billion or less. Unexpended balances carried over from previous years have now been reduced to a minimum and deliveries in future years will closely approximate the annual appropriation level.

In my considered judgment, an appropriation of $2 billion for fiscal year 1961 is the minimum amount consistent with the maintenance of a firm and adequate collective defense posture. Anything less in effect precludes essential modernization and improvement of forces and limits us to a bare maintenance program.

Economic Assistance

DEFENSE SUPPORT

For 12 of the nations with whom we are joined in collective or mutual security arrangements, we have for some years been contributing not only military resources required in the common defense but economic resources in the measure needed to permit the maintenance of such defenses without incurring political or economic instability. This category of resource contribution we term "defense

support"—economic resources to assure a defense posture. These 12 countries maintain forces of over 3 million men, more than the total number in the U.S. Armed Forces, and each of these underdeveloped countries, except for Spain, is part of the exposed land and offshore island belt that forms the immediate southern and eastern boundary of the Sino-Soviet empire. Requirements in this defense-support category have decreased somewhat; for fiscal year 1961 I am requesting for these programs $724 million or $111 million less than I asked for last year. This reduced requirement reflects in some measure a gradual but perceptible improvement in the economic situations in these countries. More than half, 56 percent, is for the three Far Eastern countries of Korea, Taiwan, and Vietnam, which have the common characteristics that they are divided countries facing superior Communist forces on their borders, forces which the Communists previously have demonstrated their willingness to use, thereby compelling these frontier nations to support armed forces far in excess of their unaided capacities to maintain. The amounts requested for these purposes represent the least we can contribute and retain confidence that adequate defenses will be maintained.

SPECIAL ASSISTANCE

Another category of international cooperation in the mutual security program is the provision of economic resources to other nations where such resources are essential to the maintenance of their freedom and stability. This category of cooperation we term "special assistance." I am requesting $268 million for these purposes in fiscal year 1961. Such provisions will enable us, for example, to continue aid to the young nations of Morocco, Libya, and Tunisia, to strengthen the stability of Jordan and the Middle East, to combat the encroachment of Communist influence in Afghanistan, and to undergird the economies in Bolivia and Haiti. Special assistance will also enable our continued participation in such vital programs as the worldwide antimalaria campaign.

AID TO DEVELOPMENT

The achievement of economic progress, of growth, depends on many things. Through collective security arrangements, through defensive measures, by giving military aid and defense support, we and other nations can achieve a measure of security and stability within which the process of development is possible and can be fostered. The primary and essential prerequisite internally is the determination to progress and take the actions needed and to make the sacrifices required. No matter how great the determination, however, there will remain tremendous needs for both technical improvement and capacity and for development capital. If a pace of development is to be achieved which will meet the essential demands of these peoples, outside help is a necessity.

TECHNICAL COOPERATION

Through our long-established program of technical cooperation and by our contributions to the United Nations activities in the technical assistance field, we make a major contribution toward the satisfaction

of this thirst and need for growth in knowledge and technical capacity. The mutual security program proposed for fiscal year 1961 continues these vital activities and provides for the enlargement and extension of our technical assistance programs in the newly emerging nations of Africa. For bilateral technical assistance I request $172.5 million; for our participation in United Nations technical assistance programs I ask $33.5 million; and to supplement our much larger bilateral program with our neighbors to the south, I ask $1.5 million for the program of technical assistance which we conduct in cooperation with them through the Organization of American States.

AFRICA

Of inescapable interest to the United States in the world today is the increasing assumption of self-government by the peoples of the great continent of Africa, especially in the area south of the Sahara. This vast area deserves and commands the full attention and assistance of the free world if it is to develop its institutions and its economy under freedom. While the needs of Africa south of the Sahara for development capital are real and can be expected to grow, there is an imperative and immediate requirement for increased education and training. The request for appropriations for special assistance includes an amount of $20 million for a special program to be instituted for the improvement of education and training in Africa south of the Sahara, with particular emphasis to be given to the meeting of needs which are common to all the countries of the area. It is my belief that this initial effort must grow significantly in the immediate years ahead and complement similar efforts on the part of other free world nations so that the capacity of the new and other developing nations in Africa to manage and direct their development can be strengthened and increased rapidly and effectively. Without such strengthening and development of education and training, the preconditions of vigorous economic growth cannot be established.

DEVELOPMENT LOAN FUND

In the field of development assistance, the Development Loan Fund is proving to be an increasingly effective instrument for response to those needs which cannot be satisfied from private investment, the World Bank, or other like sources. It has assisted in the installation of basic facilities, such as power and transportation, necessary for growth in the less developed areas. Particularly important are the expanded activities of the Development Loan Fund in the field of private enterprise. The Development Loan Fund is opening new opportunities to build an effective partnership with American private enterprise wherein the private resources of the country can make an increased contribution to development in the less developed nations. The history of the Development Loan Fund activity over the past 2 years indicates that the flow of such loan capital has tended to respond to the degree of need and of capability. In other words, those areas where the determination and the will to progress are greatest, and the capacity to use such resource effectively is the greatest, have been the leading recipients of loan assistance from the Development Loan Fund. I request $700 million for the Development Loan Fund for use beginning in fiscal year 1961.

SOUTH ASIA

Over the past 2 years a major share of Development Loan Fund loans have been made to the two great nations of south Asia—India and Pakistan—where half a billion people are deeply committed and irrevocably determined to develop and maintain institutions of their own free choice, and to raise their standards of living to levels of decency. The force and drive of this great effort is unmistakable; it warrants the full and warm support of the free world. We have joined with other nations in helping these countries; we envisage the total public and private effort to assist south Asia not only continuing but expanding. An increased amount is expected to be devoted to this great cause from the resources requested for the Development Loan Fund for fiscal year 1961 as these countries increase even further their own self-help efforts.

THE INDUS BASIN DEVELOPMENT

A development of major significance in south Asia is the substantial progress being made under the auspices of the World Bank to effect a solution to the complex and difficult problem of the use of the waters of the Indus River Basin as between India and Pakistan. Vital interests of both countries are involved; the solution must involve a plan whereby the waters, on which the agriculture, the food supplies, and the economies of the region depend, can be equitably developed and shared. It is anticipated that an agreement on such a development plan may be reached in the near future. Essential to its fruition is the willingness of nations outside south Asia to assist in the development plan, the cost of which cannot be borne by these nations unaided. Under World Bank auspices, plans are being developed where under the Bank, British Commonwealth nations, West Germany, and the United States will each contribute to the costs of the development plan and the supervision and management of the enterprise will be undertaken by the Bank. We propose to provide a measure of assistance to this activity through the mutual security program in fiscal year 1961 and in subsequent years as needs arise. To assure that we can effectively participate in this multilateral undertaking, I am asking for authorization to exercise flexibility in the application of regulations normally applied to bilateral undertakings, if and when such exceptional action is required for this great project. The solution of this troublesome international issue should be of great assistance in promoting a peaceful and cooperative resolution of other divisive issues and encourage a maximum concentration on the major goals of peace and prosperity.

REPUBLIC OF CHINA

The mutual security program can be expected also to be responsive to the needs of other areas and countries as their determination and capacity to employ development capital grows. We have received proposals from the Government of the Republic of China for an expanded and accelerated program of economic reform and development to which we are giving close and careful attention. The vigorous and skilled population on Taiwan, the record of growth in investment and

output, the very real potential for acceleration, offer a prospect for a convincing demonstration that under free institutions a pace and degree of achievement can eventually be obtained in excess of that resulting under totalitarianism. For this purpose, we envisage the full employment of both grant and loan assistance to hasten the day of ultimate viability and self-sustaining growth.

CONTINGENCY FUND AND OTHER PROGRAMS

In addition to the major categories of cooperation which I have mentioned, military assistance and defense support, special assistance, technical cooperation, and the Development Loan Fund, I am asking also for a contingency fund of $175 million and for $101 million to continue a variety of small but important programs.

The contingency fund is an essential safeguard against the unforeseen or not wholly predictable need. The record of the past several years clearly demonstrates its value as enabling prompt and effective response to the altering course of international events.

The $101 million requested for other programs will permit our continued participation in UNICEF, in refugee programs, and in the foreign programs for peaceful uses of atomic energy. It also will provide for administrative costs to administer the economic and technical programs.

For the total mutual security program I ask $4.175 billion. The need for these amounts has been examined and reexamined with great care in the executive branch. I am entirely satisfied that the needs for which funds are sought are needs which must be met and that the funds sought are the most reasonable estimates of requirements we can produce. There is no question but that the Nation can afford the expenditures involved; I am certain we cannot afford to ignore the needs for which they are required.

Conclusion

The United States is a privileged nation. Its citizens enjoy a measure of prosperity and well-being and an extent of liberty under free institutions unequaled in the history of the world. Our ideals and our ideology place upon us a responsibility for leadership and for cooperation with other nations and other peoples which we accept willingly and with pride.

My recent travels impressed upon me even more strongly the fact that free men everywhere look to us, not with envy or malice but with hope and confidence, that we will in the future as in the past be in the vanguard of those who believe in and will defend the right of the individual to enjoy the fruits of his labor in peace and in freedom. Together with our fellow men, we shall not fail to meet our responsibilities.

Dwight D. Eisenhower.

The White House, *February 16, 1960.*

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being used to bring the subject of civil rights before the Senate. Nevertheless, I believe that civil rights legislation will be enacted by the Senate within the next few weeks. Both parties are committed to the enactment of civil rights legislation. While the legislation is likely to be concentrated upon the issue of voting rights, I believe that it is highly important that antibombing and antilynching provisions be included.

According to reports published in newspapers in 1958, there were 63 bombings of religious and educational institutions and private dwellings in 1957 and 44 such incidents in the year 1958. In 1959 the figure was comparable to 1958.

We are but 7 weeks into 1960 and already reports are being published of acts of bombing of religious institutions and private homes.

In the Washington Evening Star of January 29, 1960, the headline read: "Bomb Damages New Synagogue in Kansas City." In the same newspaper on February 10, 1960, the headline appeared: "Home of Negro Student Bombed at Little Rock." In the Washington Post and Times Herald of February 11, 1960, the banner read: "FBI Agents Join in Little Rock for Bombers' of Negro Pupil's Home."

This sort of terrorism was, and is, not peculiar to the South. Reports of bombings of this nature—as threats to the minorities of our country—have been recorded in almost all sections of the United States. Even in my State of West Virginia, there was an incident about a year ago of like nature. A school house which had previously been integrated was shattered in an early morning blast. The person or persons responsible for this tragic action dynamited the structure for no positive reason. Most authorities attributed the work to "hatemongers." The case is still open. Authorities know nothing as to who perpetrated the act or as to why it was committed. The Communists have used incidents such as these bombings in their portrayal of majority against minority in this country.

Mr. President, we cannot be sure that these terrorist actions are the results of foreign influence, but the pattern is much like the method of operation in certain foreign countries.

This possibility, of coursé, adds to the necessity of providing the FBI with power and authority to initiate the investigation of bombing incidents, and the ultimate right of Federal prosecution of the culprits.

I say this, Mr. President: As long as there is one incident of this nature, there is need for legislation which would make it a Federal offense.

Mr. LONG of Louisiana. Mr. President, will the Senator yield at that point?

Mr. BYRD of West Virginia. I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. Does the Senator really feel that a single incident justifies a Federal law and the Federal Government intervening, notwithstanding the fact that in the case of such an incident I would certainly presume the sheriff and all the law-enforcement agents of the great State of West Virginia would certainly use every effort to apprehend a criminal who did the type of thing to which the Senator referred?

Mr. BYRD of West Virginia. The Senator is eminently correct in his statement, in presuming that the law-enforcement officials of West Virginia did everything within their power, and are still doing everything within their power, to locate the person or persons who perpetrated the act. But the Senator from West Virginia said a moment ago, and will repeat for the benefit of the Senator from Louisiana, that so long as there is one incident of this nature, there is need for legislation which would make it a Federal offense.

Mr. LONG of Louisiana. Is it not entirely likely that the sheriff, if he wants the assistance of the FBI or of some Federal agent, could call upon them to help him to obtain any information that the Bureau might have available?

Mr. BYRD of West Virginia. I think that is logical, yes; but I feel that where it is evident that explosives used in such incidents have been transported in interstate commerce it should be possible for the Federal Bureau of Investigation to enter the picture without the invitation of a State or local official.

Mr. LONG of Louisiana. Does the Senator feel that if a person is apprehended and brought to trial by State authorities and by the local people, who I presume would be good citizens in West Virginia—I believe they are elsewhere—and is found innocent, he should be subjected to double jeopardy and to being tried again in a Federal court for the same offense?

Mr. BYRD of West Virginia. The Senator from West Virginia believes that the crux of the problem lies in apprehending the individuals involved. It is for that purpose that the Senator from West Virginia is pleading for action of this nature.

Mr. LONG of Louisiana. Does the Senator have any reason to believe there is any lack of diligence or lack of ability on behalf of the law-enforcement agencies of the State of West Virginia in the apprehension of criminals? In other words, does the Senator really believe that the local law-enforcement facilities are inadequate to apprehend and to bring to justice persons committing offenses of the nature which the Senator describes, which I believe to be primarily local type offenses? I see no particular connection between those offenses and interstate commerce or the usual activities of the Federal Government.

Mr. BYRD of West Virginia. The Senator from West Virginia would not imply for a moment any lack of interest or diligence on the part of law enforcement officials in West Virginia, Louisiana, or any of the other States of the Union. But the Senator from West Virginia does mean to state that the law enforcement officials in the State of West Virginia may be unable to cope with the situation. The same can be said with reference to bombings which have occurred in other States.

Mr. LONG of Louisiana. I should suppose, from what the Senator says, that the offense to which he referred is primarily local in interest. Under such circumstances, it seems to me that the local agents would have all the capacity any outside agents would have to detect the culprit and bring him to justice.

Some people seem to think that because the Federal Government is investigating something, the Federal Government is qualified to do it better. I happen to know that a great many sheriffs have been trained in the FBI school, and have available to them everything the Federal Government has. When they are on the scene locally, I see no reason to believe that the FBI agents would do any better job than would the local law enforcement officials. I am curious to know if the Senator feels that there should be a duplication of effort, with the taxpayers paying to support two separate groups, one group locally, and another group outside, to try to detect the same crime, when basically the expense all comes out of their pockets anyway. Personally, I doubt if the FBI is any more efficient than some of the local sheriffs. I am curious to know if the Senator feels that there should be a Federal law to achieve results in the State of West Virginia which his local law enforcement officials would not be capable of achieving.

Mr. BYRD of West Virginia. The Senator from West Virginia wishes to state that it is not his purpose or desire to see the Federal Government preempt the law enforcement activities of the States in this field. But it is his position that local authorities are, for the most part, not equipped to handle such cases as this. The Senator from West Virginia feels that there would not be a divided authority. He feels, however, that the Federal Government should be provided with authority by law to initiate action when it is evident that explosives which have been transported in interstate commerce are used in the activities of the kind described.

Mr. LONG of Louisiana. It has been the impression of the State government in Louisiana—and I assume in some other States—that even the State authorities should not interfere in a local area where the sheriff or the chief of police is doing his job diligently, unless the local official feels that he needs outside intervention or assistance, in order to do his job.

Based upon the principle of home rule, if the local official thinks he can do a job, and there is every indication that he is competent for the task, he should be the judge as to whether or not he needs outside help to come in and assist him. Does the Senator disagree with that philosophy?

Mr. BYRD of West Virginia. The Senator from Louisiana has put his finger on the big "if" in the equation—if the local officials are competent to handle the task. The Senator from West Virginia maintains that in many instances the local authorities are not equipped to handle the situation.

Mr. LONG of Louisiana. If they are not equipped to handle it as law-enforcement officials, would not they, perhaps, be best qualified to know that they are not equipped? I suppose the Senator does not assume that they lack the men-

tal capacity to do the job. I assume he is referring, perhaps, to not having the advantage of a large crime laboratory or a fingerprint facility available to them—although it is my impression that in every case every local sheriff has available to him any information which is available in Washington, and that the Federal Bureau of Investigatoin cooperates in making such information available.

Mr. BYRD of West Virginia. The Senator from Louisiana is correct in his assumption that the Senator from West Virginia does not mean to question or indict the mental capacity or the good intentions of local enforcement officials in West Virginia, Louisiana, or anywhere else. The Senator from West Virginia merely hopes he can impress upon the Senate the need for Federal legislation, which would make possible the entry of the proper Federal agency into this field in order that it might initiate action, without having to wait for local authorities to act.

Mr. LONG of Louisiana. The Senator is discussing the subject, and perhaps he knows more about it than I do. However, some of us had the impression that where bombings have occurred involving a church or a school building, the FBI has actually been invited or requested to enter the investigation by local officials, and that they have investigated. Failure to apprehend the culprit rests as heavily upon the FBI as upon the local officials. There is no showing that the FBI has been able to find the culprit when the local officials have not been able to do so. I wonder if that agrees with the Senator's understanding of the facts.

Mr. BYRD of West Virginia. The Senator from West Virginia will answer thusly: Time is of the essence in many instances such as this. With the passage of time, the danger of failing to apprehend the criminal is increased, and local officials will readily admit, in many instances, that they are not equipped to locate, identify, and apprehend the criminals who are involved. The Senator from West Virginia merely takes the position that every effort should be made to provide the kind of assistance that is so necessary while there is time, in order that the criminals may be quickly and surely apprehended.

Action by the Federal Bureau of Investigation has already been taken in some instances, but I question whether such action can adequately combat the situation. The FBI has equipped local police with modern know-how by holding conferences throughout the country dealing with detection and prevention of bombings; and, as pointed out by my distinguished friend from Louisiana, has aided local authorities when requested to do so in the actual investigation.

As I have already stated, I feel that the FBI should have the authority to initiate investigations, and, if violation of an interstate nature has been detected, that Federal officials should have the power not only of investigation but also of prosecution of the terrorists when apprehended. If the crime is purely intrastate in nature, local authorities should, and rightly so, have the power of prosecution.

I seriously doubt that there would be the divided authority referred to by my friend from Louisiana. Local authorities, for the most part, are not equipped to handle such cases, and they are the first to admit it. Incidents with such moral ramifications need the attention of the Federal Government itself.

The provisions of Senate bill 188, of which I am a cosponsor, and which was introduced by the distinguished Senator from Massachusetts [Mr. KENNEDY], and the distinguished Senator from North Carolina [Mr. ERVIN], would provide the protection needed against such bombings, and the bill's provisions can and should be included in any bill that passes the Senate in connection with civil rights.

Not only would schools, churches, synagogues, and community centers be protected under the law, but private and business buildings would be protected as well. The bill provides for a maximum fine of $1,000 and a maximum jail sentence of 1 year for illegal transfer or use of explosives, and for the death sentence or imprisonment when a bombing results in the loss of life.

In addition, the legislation proposes to make it a Federal offense for a person who uses explosives within a State to flee the jurisdiction to escape arrest.

William Lloyd Garrison once wrote:

> With reasonable men I will reason, with humane men I will plead, but to tyrants I will give no quarter, nor waste arguments where they will certainly be lost.

I feel, Mr. President, that these perpetrators are tyrants. They know the terrible risks to life that are involved, and yet they are willing to put in grave jeopardy the innocent lives of children, as well as adults, in order to achieve their nefarious ends.

We must sustain maximum effectiveness in dealing with this type of criminal. Either his mind is completely twisted, or his capability for violence is such that it warrants the maximum punishment.

Gov. Orval Faubus said in 1958:

> There must be no room in our hearts or minds for the sort of prejudice which has been the cause of bombing incidents in other States. * * * I will use all powers at my command to bring the culprits to justice, if a bombing incident should occur in Arkansas.

Alabama Gov. James E. Folsom in 1957 said:

> Any person who would bomb the House of the Lord endangers the life of every man, woman, and child in Montgomery. I call on all people of Alabama to help stamp out such lawlessness wherever it may occur.

The Jewish War Veterans of the United States called the bombings of schools and religious institutions "repugnant to American tradition." This came at the group's 64th annual convention in New York City last year.

These statements are indicative of the feelings of most leaders of today. J. Edgar Hoover, Director of the Federal Bureau of Investigation, has said that "bombings can be materially curbed by an aroused public opinion, a coordinated effort on the part of Federal, State, and local agencies, and stern punishment of the perpetrators."

Ours is a government of laws not of men. The stronger the antibombing and antilynching legislation—the better. If this is the only deterrent that will mean anything to individuals who resort to such inhuman acts, then the legislation should be strong enough to provide a constant warning and it should provide a penalty that is swift and sure. Lynchings and bombings are to be placed in the same category—they constitute an indelible blotch upon the conscience of humanity. This is one feature of the civil rights issue concerning which there should be no disagreement.

In conclusion, I say to my friend from Louisiana that it appears to me that there has been a pattern of such bombings. They have not been localized in nature. These acts have not been perpetrated in one State alone. As I have already said, the actions have the appearance of presenting a pattern, engaged in in several parts of the country. I have already pointed to the tragic act that took place in the northern part of my State.

Therefore, not for one moment would I imply—and I have taken the greatest of care to make it clear in my statement—that people of the South look upon these actions with approval. I have been very careful to state that such activities have been engaged in in the North as well as in the South. I fear, nevertheless, that if we view the future on the basis of the past, we might anticipate a continuation of this pattern. It is not intrastate in nature; it is interstate in character. It is largely for this reason that I believe that the Federal Government should have the authority to initiate action in this field.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MUTUAL SECURITY PROGRAM—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 343)

Mr. JOHNSON of Texas. Mr. President, the Senate today has received a message from the President on the mutual security program. I am informed that the message has been read in the House. I therefore ask unanimous consent that the message be printed in the RECORD, without reading, and appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message was referred to the Committee on Foreign Relations, as follows:

To the Congress of the United States:

A year ago in my message to the Congress on the mutual security program, I

described it as both essential to our security and important to our prosperity. Pointing out that our expenditures for mutual security are fully as important to our national defense as expenditures for our own forces, I stated that the mutual security program is not only grounded in our deepest self-interest but springs from the idealism of the American people which is the true foundation of our greatness. It rests upon five fundamental propositions:

(1) That peace is a matter of vital concern to all mankind.

(2) That to keep the peace, the free world must remain defensively strong.

(3) That the achievement of a peace which is just depends upon promoting a rate of world economic progress, particularly among the peoples of the less developed nations, which will inspire hope for fulfillment of their aspirations.

(4) That the maintenance of the defensive strength of the free world, and help to the less developed, but determined and hard working, nations to achieve a reasonable rate of economic growth are a common responsibility of the free world community.

(5) That the United States cannot shirk its responsibility to cooperate with all other free nations in this regard.

It is my firm conviction that there are only a few in the United States who would deny the validity of these propositions. The overwhelming support of the vast majority of our citizens leads us inexorably to mutual security as a fixed national policy.

The mutual security program is a program essential to peace. The accomplishments of the mutual security program in helping to meet the many challenges in the mid-20th century place it among the foremost of the great programs of American history. Without them the map of the world would be vastly different today. The mutual security program and its predecessors have been an indispensable contributor to the present fact that Greece, Turkey, Iran, Laos, Vietnam, Korea, and Taiwan, and many nations of Western Europe, to mention only part, remain the home of free men.

While over the past year the Soviet Union has expressed an interest in measures to reduce the common peril of war, and while its recent deportment and pronouncements suggest the possible opening of a somewhat less strained period in our relationships, the menace of Communist imperialism nevertheless still remains. The military power of the Soviet Union continues to grow. Increasingly important to free world interests is the rate of growth of both military and economic power in Communist China. Evidence that this enormous power bloc remains dedicated to the extension of Communist control over all peoples everywhere is found in Tibet, the Taiwan Straits, in Laos, and along the Indian border.

In the face of this ever-present Communist threat, we must, in our own interest as well as that of the other members of the free world community, continue our program of military assistance through the various mutual security arrangements we have established. Under these arrangements each nation has responsibilities, commensurate with its capabilities, to participate in the development and maintenance of defensive strength. There is also increasing ability of other free world nations to share the burden of this common defense.

Obviously, no one nation alone could bear the cost of defending all the free world. Likewise, it would be impossible for many free nations long to survive if forced to act separately and alone. The crumbling of the weaker ones would obviously and increasingly multiply the threats to those remaining free, even the very strongest.

Collective security is not only sensible—it is essential.

That just peace which has always been and which remains our primary and common goal can never be obtained through weakness. The best assurance against attack is still the possession and maintenance of free world strength to deter attack.

The nations of Europe are increasingly assuming their share of the common defense task. None of our NATO partners other than Greece, Turkey, and Iceland now requires nor receives any economic assistance. Indeed, in rising volume, these nations are now providing economic assistance to others. Our NATO allies are also meeting their military needs to an increasing degree; several major countries now require no help. Our military programs in NATO countries today are largely designed and executed as joint cost sharing arrangements whereby vital additional defense needs are met through mutual effort.

It is clear that while every possibility to achieve trustworthy agreements which would reduce the peril of war must be explored, it would be most foolish to abandon or to weaken our posture of common deterrent strength which is so essential a prerequisite to the exploration of such possibilities. The need is for steadfast, undramatic, and patient persistence in our efforts to maintain our mutual defenses while working to find solutions for the problems which divide the world and threaten the peace.

The mutual security program is a program essential to world progress in freedom. In addition to its mutual defense aspects, it also is the American part of a cooperative effort on the part of freemen to raise the standards of living of millions of human beings from bases which are intolerably low, bases incompatible with human dignity and freedom.

Hundreds of millions of people throughout the world have learned that it is not ordained that they must live in perpetual poverty and illness, on the ragged edge of starvation. Their political leaders press the point home. In a variety of ways this drive is moving forward by fits and starts, often uncertain of its direction. It is sometimes involved in free world struggle against communism, sometimes not. It is clearly in the interests of the United States that we assist this movement so that these countries may take their places as free, independent, progressing and stable members of the community of nations. It is equally clear that it would be against our interests if this forward movement were stifled or hindered. The result would be to breed frustration and explosive threats to political and economic stability in areas around the world.

Equally with military security, economic development is a common necessity and a common responsibility. An investment in the development of one part of the free world is an investment in the development of it all. Our welfare, and the welfare of all free men, cannot be divided—we are dependent one on the other. It is for each of us, the strong and the weak, the developed and the less developed, to join in the great effort to bring forth for all men the opportunity for a rewarding existence in freedom and in peace. World economic expansion and increase in trade will bring about increased prosperity for each free world nation.

New challenges, with corresponding opportunities, are now visible before us: the acceleration of the achievement of independence of peoples in Africa; the growing restlessness in the less developed areas; and the increasing potential for partnership and assistance to these areas as a result of the continued growth of the now healthy economies of the industrialized western European nations and of Japan, Canada, and Australia.

Free world cooperation is becoming the watchword of this effort. In the past year the capital of the International Bank for Reconstruction and Development was doubled and that of the International Monetary Fund was increased by half. In addition, a U.S. proposal for an International Development Association to be affiliated with the International Bank for Reconstruction and Development has been accepted in principle and a draft charter recently has been submitted to member governments. I expect to transmit to the Congress recommendations on this matter in the near future. The industrialized nations of Europe, together with Japan and Canada, are notably stepping up their participation in cooperative efforts among themselves and with the less developed countries to promote growth. Similar approaches will be discussed at a meeting of representatives of a number of nations, to be held in Washington in March.

In our own Western Hemisphere society of nations, we are now joined in a great new venture, the Inter-American Development Bank. This new institution, formed in partnership with our neighboring nations, should prove of immense value in promoting the more rapid development of the member nations. Our participation in this joint effort is significant of the special interest which we have in the progressive development of our neighbors. Together with the very considerable dimensions of private and government investment taking place in the hemisphere, and the mutually beneficial technical cooperation we have so long enjoyed with our neighbors, it should serve to accelerate progress.

Thus the military and economic resources which we provide through the

mutual security program to help create and maintain positions of strength are properly to be regarded as what they are—investments in the common defense and welfare and thus in our own security and welfare. This is a mutual security program.

Our concepts are sound, our policies of proven value, and our will to meet our responsibilities undiminished and constant.

THE PROPOSALS FOR FISCAL YEAR 1961

The form and general structure of the mutual security program for fiscal year 1961 remains essentially that which has stood the test of experience. In the administration of the various mutual security programs, changes have been instituted in organization, programing, and management controls. It was in part for the purpose of analyzing and making recommendations for improving the administration of the program that I appointed last year a distinguished group of citizens headed by General Draper. Many of the recommendations that they made have already been put into effect. We are constantly seeking additional management improvements to meet the program needs and difficult problems of operating these diverse programs on a worldwide basis. The categories of activity are the same as those with which the Congress is familiar. Adjustments in the nature and dimension of activity are proposed which reflect and are responsible to the changes in the world scene, in the degrees of need and of capability for self-help. These adjustments also are consistent with an analysis of future needs and of future changes and capability for self-help. This forward analysis was, in part, conducted in conformance with the requirement of law that plans of future grant economic assistance be developed and presented to the Congress. The detailed plans and conclusions on future assistance will be submitted to the Congress in the near future.

MILITARY ASSISTANCE

For military assistance I am requesting in the pending Department of Defense budget an appropriation of $2 billion. This is more than was requested, or than was provided for fiscal year 1960. The request for a larger appropriation is not made in order to increase the proportionate share of U.S. participation in the common defense. Nor does it reflect an intent to embark on a vast expansion of the military assistance program.

The amount requested for military assistance within the defense budget is in my considered judgment, and in that of the Joint Chiefs of Staff, a need for our defense equally compelling and of equal importance with the needs of our own services provided for elsewhere in the defense budget.

The amount requested is the result of careful and detailed review of the needs of our allies to enable them to maintain the level of combat effectiveness made possible by previous military assistance and to provide, mostly on a cost-sharing basis, for certain essential force improvement projects. Without adequate provision for maintenance, the moneys previously spent would be largely wasted. And without force improvement, without the provision of more advanced weapons, the free world forces would inevitably fall behind in their ability to counter modernized aggressor forces.

The fact, if it is a fact, of reductions in Soviet military manpower, does not alter the need for the maintenance of our collective defense. Soviet military power, as Mr. Khrushchev's own statements make clear, remains great. Our plans have never attempted to match Soviet armed manpower; they have been and are designed to deter aggression. Of special importance is the maintenance of a strong and effective deterrent posture in the NATO alliance. As indicated earlier, the improving economic position of Western Europe as a whole makes it possible for Europe to share increasingly in the cost of the common defense, and for certain major European countries to maintain their defense efforts without U.S. assistance. At the same time, the requirements for modernization and improvement are of such dimension that our participation in joint cost-sharing projects with certain European countries over the immediate future is still essential. Provision for such contributions is included in the proposed program.

The amount requested for fiscal 1961 is consistent with the recommendations of the bipartisan committee of distinguished citizens headed by General Draper, which I appointed last year to review our policies and programs. This Committee strongly urged the maintenance of a delivery program of approximately $2 billion annually. In recent years, annual deliveries have averaged about $2.2 billion. Deliveries in fiscal year 1960, however, reflecting the reduced appropriations of recent years, will fall back to $1.8 billion or less. Unexpended balances carried over from previous years have now been reduced to a minimum and deliveries in future years will closely approximate the annual appropriation level.

In my considered judgment, an appropriation of $2 billion for fiscal year 1961 is the minimum amount consistent with the maintenance of a firm and adequate collective defense posture. Anything less in effect precludes essential modernization and improvement of forces and limits us to a bare maintenance program.

ECONOMIC ASSISTANCE

DEFENSE SUPPORT

For 12 of the nations with whom we are joined in collective or mutual security arrangements, we have for some years been contributing not only military resources required in the common defense but economic resources in the measure needed to permit the maintenance of such defenses without incurring political or economic instability. This category of resource contribution we term "defense support"—economic resources to assure a defense posture. These 12 countries maintain forces of over 3 million men, more than the total number in the U.S. Armed Forces, and each of these underdeveloped countries, except for Spain, is part of the exposed land and offshore island belt that forms the immediate southern and eastern boundary of the Sino-Soviet Empire. Requirements in this defense support category have decreased somewhat; for fiscal year 1961 I am requesting for these programs $724 million or $111 million less than I asked for last year. This reduced requirement reflects in some measure a gradual but perceptible improvement in the economic situations in these countries. More than half, 56 percent, is for the three Far Eastern countries of Korea, Taiwan, and Vietnam which have the common characteristics that they are divided countries facing superior Communist forces on their borders, forces which the Communists previously have demonstrated their willingness to use, thereby compelling these frontier nations to support armed forces far in excess of their unaided capacities to maintain. The amounts requested for these purposes represent the least we can contribute and retain confidence that adequate defenses will be maintained.

SPECIAL ASSISTANCE

Another category of international cooperation in the mutual security program is the provision of economic resources to other nations where such resources are essential to the maintenance of their freedom and stability. This category of cooperation we term "special assistance." I am requesting $268 million for these purposes in fiscal year 1961. Such provisions will enable us, for example, to continue aid to the young nations of Morocco, Libya and Tunisia, to strengthen the stability of Jordan and the Middle East, to combat the encroachment of Communist influence in Afghanistan, and to undergird the economies in Bolivia and Haiti. Special assistance will also enable our continued participation in such vital programs as the worldwide antimalaria campaign.

AID TO DEVELOPMENT

The achievement of economic progress, of growth, depends on many things. Through collective security arrangements, through defensive measures, by giving military aid and defense support, we and other nations can achieve a measure of security and stability within which the process of development is possible and can be fostered. The primary and essential prerequisite internally is the determination to progress and take the actions needed and to make the sacrifices required. No matter how great the determination, however, there will remain tremendous needs for both technical improvement and capacity and for development capital. If a pace of development is to be achieved which will meet the essential demands of these peoples, outside help is a necessity.

TECHNICAL COOPERATION

Through our long-established program of technical cooperation and by our contributions to the United Nations activities in the technical assistance field, we make a major contribution toward the satisfaction of this thirst and need for growth in knowledge and technical capacity. The mutual security program proposed for fiscal year 1961 continues these vital activities and provides for

the enlargement and extension of our technical assistance programs in the newly emerging nations of Africa. For bilateral technical assistance I request $172.5 million; for our participation in United Nations technical assistance programs I ask $33.5 million; and to supplement our much larger bilateral program with our neighbors to the south, I ask $1.5 million for the program of technical assistance which we conduct in cooperation with them through the Organization of American States.

AFRICA

Of inescapable interest to the United States in the world today is the increasing assumption of self-government by the peoples of the great continent of Africa, especially in the area south of the Sahara. This vast area deserves and commands the full attention and assistance of the free world if it is to develop its institutions and its economy under freedom. While the needs of Africa south of the Sahara for development capital are real and can be expected to grow, there is an imperative and immediate requirement for increased education and training. The request for appropriations for special assistance includes an amount of $20 million for a special program to be instituted for the improvement of education and training in Africa south of the Sahara, with particular emphasis to be given to the meeting of needs which are common to all the countries of the area. It is my belief that this initial effort must grow significantly in the immediate years ahead and complement similar efforts on the part of other free world nations so that the capacity of the new and other developing nations in Africa to manage and direct their development can be strengthened and increased rapidly and effectively. Without such strengthening and development of education and training, the preconditions of vigorous economic growth cannot be established.

DEVELOPMENT LOAN FUND

In the field of development assistance, the Development Loan Fund is proving to be an increasingly effective instrument for response to those needs which cannot be satisfied from private investment, the World Bank or other like sources. It has assisted in the installation of basic facilities, such as power and transportation, necessary for growth in the less developed areas. Particularly important are the expanded activities of the Development Loan Fund in the field of private enterprise. The Development Loan Fund is opening new opportunities to build an effective partnership with American private enterprise wherein the private resources of the country can make an increased contribution to development in the less developed nations. The history of the Development Loan Fund activity over the past 2 years indicates that the flow of such loan capital has tended to respond to the degree of need and of capability. In other words, those areas where the determination and the will to progress are greatest and the capacity to use such resources effectively is the greatest, have been the leading recipients of loan assistance from the Development Loan Fund. I request $700 million for the Development Loan Fund for use beginning in fiscal year 1961.

SOUTH ASIA

Over the past 2 years a major share of Development Loan Fund loans have been made to the two great nations of South Asia, India and Pakistan, where half a billion people are deeply committed and irrevocably determined to develop and maintain institutions of their own free choice, and to raise their standards of living to levels of decency. The force and drive of this great effort is unmistakable; it warrants the full and warm support of the free world. We have joined with other nations in helping these countries; we envisage the total public and private effort to assist South Asia not only continuing but expanding. An increased amount is expected to be devoted to this great cause from the resources requested for the Development Loan Fund for fiscal year 1961 as these countries increase even further their own self-help efforts.

THE INDUS BASIN DEVELOPMENT

A development of major significance in South Asia is the substantial progress being made under the auspices of the World Bank to effect a solution to the complex and difficult problem of the use of the waters of the Indus River Basin as between India and Pakistan. Vital interests of both countries are involved; the solution must involve a plan whereby the waters, on which the agriculture, the food supplies, and the economies of the region depend, can be equitably developed and shared. It is anticipated that an agreement on such a development plan may be reached in the near future. Essential to its fruition is the willingness of nations outside South Asia to assist in the development plan, the cost of which cannot be borne by these nations unaided. Under World Bank auspices, plans are being developed whereunder the Bank, British Commonwealth nations, West Germany, and the United States will each contribute to the costs of the development plan and the supervision and management of the enterprise will be undertaken by the Bank. We propose to provide a measure of assistance to this activity through the mutual security program in fiscal year 1961 and in subsequent years as needs arise. To assure that we can effectively participate in this multilateral undertaking, I am asking for authorization to exercise flexibility in the application of regulations normally applied to bilateral undertakings, if and when such exceptional action is required for this great project. The solution of this troublesome international issue should be of great assistance in promoting a peaceful and cooperative resolution of other divisive issues, and encourage a maximum concentration on the major goals of peace and prosperity.

REPUBLIC OF CHINA

The mutual security program can be expected also to be responsive to the needs of other areas and countries as their determination and capacity to employ development capital grows. We have received proposals from the Government of the Republic of China for an expanded and accelerated program of economic reform and development to which we are giving close and careful attention. The vigorous and skilled population on Taiwan, the record of growth in investment and output, the very real potential for acceleration, offer a prospect for a convincing demonstration that under free institutions a pace and degree of achievement can eventually be obtained in excess of that resulting under totalitarianism. For this purpose, we envisage the full employment of both grant and loan assistance to hasten the day of ultimate viability and self-sustaining growth.

CONTINGENCY FUND AND OTHER PROGRAMS

In addition to the major categories of cooperatiton which I have mentioned, military assistance and defense support, special assistance, technical cooperation and the Development Loan Fund, I am asking also for a contingency fund of $175 million and for $101 million to continue a variety of small but important programs.

The contingency fund is an essential safeguard against the unforeseen or not wholly predictable need. The record of the past several years clearly demonstrates its value as enabling prompt and effective response to the altering course of international events.

The $101 million requested for other programs will permit our continued participation in UNICEF, in refugee programs and in the foreign programs for peaceful uses of atomic energy. It also will provide for administrative costs to administer the economic and technical programs.

For the total mutual security program I ask $4.175 billion. The need for these amounts has been examined and reexamined with great care in the executive branch. I am entirely satisfied that the needs for which funds are sought are needs which must be met and that the funds sought are the most reasonable estimates of requirements we can produce. There is no question but that the Nation can afford the expenditures involved; I am certain we cannot afford to ignore the needs for which they are required.

CONCLUSION

The United States is a privileged Nation. Its citizens enjoy a measure of prosperity and well-being and an extent of liberty under free institutions unequalled in the history of the world. Our ideals and our ideology place upon us a responsibility for leadership and for cooperation with other nations and other peoples which we accept willingly and with pride.

My recent travels impressed upon me even more strongly the fact that freemen everywhere look to us, not with envy or malice but with hope and confidence that we will in the future as in the past be in the vanguard of those who believe in and will defend the right of the individual to enjoy the fruits of his labor in peace and in freedom. Together with our fellow men, we shall not fail to meet our responsibilities.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *February 16, 1960.*

LEASING OF PORTION OF FORT CROWDER, MO.

The Senate resumed the consideration of the bill (H.R. 8315) to authorize the Secretary of the Army to lease a portion of Fort Crowder, Mo., to Stella Reorganized Schools R–I, Missouri.

Mr. JOHNSON of Texas. Mr. President, have the yeas and nays been ordered on the Russell motion?

The PRESIDING OFFICER. They have not.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the Russell motion.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion of the Senator from Georgia [Mr. RUSSELL] to postpone the further consideration of the bill—H.R. 8315—until February 23, 1960. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Missouri [Mr. HENNINGS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

I also announce that the Senator from Oregon [Mr. NEUBERGER] is absent because of illness.

I further announce that, if present and voting, the Senator from Nevada [Mr. BIBLE], the Senator from Missouri [Mr. HENNINGS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MURRAY], the Senator from Oregon [Mr. NEUBERGER], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from South Dakota [Mr. CASE], and the Senator from Idaho [Mr. DWORSHAK] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] is detained on official business.

The result was announced—yeas 28, nays 61, as follows:

YEAS—28

Butler	Holland	Russell
Byrd, Va.	Johnston, S.C.	Smathers
Byrd, W. Va.	Jordan	Sparkman
Eastland	Kefauver	Stennis
Ellender	Kerr	Talmadge
Ervin	Long, La.	Thurmond
Fulbright	McClellan	Williams, Del.
Goldwater	Monroney	Young, N. Dak.
Gore	Morse	
Hill	Robertson	

NAYS—61

Aiken	Engle	Mansfield
Allott	Fong	Martin
Anderson	Frear	Morton
Bartlett	Green	Moss
Beall	Gruening	Mundt
Bennett	Hart	Muskie
Brunsdale	Hartke	Pastore
Bush	Hayden	Prouty
Cannon	Hickenlooper	Proxmire
Carlson	Hruska	Randolph
Carroll	Jackson	Saltonstall
Case, N.J.	Javits	Schoeppel
Chavez	Johnson, Tex.	Scott
Church	Keating	Smith
Clark	Kuchel	Symington
Cooper	Lausche	Wiley
Cotton	Long, Hawaii	Williams, N.J.
Curtis	McCarthy	Yarborough
Dirksen	McGee	Young, Ohio
Dodd	McNamara	
Douglas	Magnuson	

NOT VOTING—11

Bible	Dworshak	Murray
Bridges	Hennings	Neuberger
Capehart	Humphrey	O'Mahoney
Case, S. Dak.	Kennedy	

So Mr. RUSSELL's motion was rejected.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the motion was defeated.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MORSE. Mr. President, I wish to make a very brief statement before I make a unanimous consent request. I voted in favor of the motion to postpone further consideration of the bill until February 23. I voted for the motion because it is completely consistent with my procedural record in the Senate, and is dictated by my convictions in regard to what I think orderly procedure in the Senate ought to be.

It will be recalled that in 1957 the civil rights bill came over to the floor of the Senate from the House. The Senator from Oregon then took the position that that House civil rights bill should be referred to the Senate Judiciary Committee for consideration, and he made a motion at that time that the bill be referred to the Senate Judiciary Committee with instructions to report a bill. I think the time limit fixed finally was 7 days.

I took the position then that we should not undercut and undermine committee procedure in the Senate, because I think committee procedure is of very great importance to our legislative process. At the very least we ought to try to get the benefit of a committee report and committee action on any bill that comes to the floor of the Senate for consideration. We ought to have from a committee a report of the official hearings the committee may have held, in which qualified expert witnesses testified before the committee in regard to the problems involved in the bill.

That procedure is particularly important in the field of civil rights, where there are involved so many questions of constitutional law. Many legal issues are bound to arise, once we get through passing a civil rights bill. As I said yesterday, we can be sure every paragraph of any civil rights bill we pass is going to be litigated in the courts. I think we ought to have submitted to the courts the strongest possible record that has been made, legislativewise, in the Congress of the United States. The cases are replete in support of the position I took in 1957, and which I again take this year, that we have a stronger legislative record when we can turn over to the courts committee reports and committee hearings in reference to a bill when there is sought, by the courts, the legislative intent with regard to any law that is called into litigation.

So, because I feel the course of action I fought for in 1957 on the civil rights bill which was before us for consideration at that time, on which I was defeated, and for which course of action I fought again this time, and was defeated again, was the most orderly procedure to follow, I voted in favor of the motion to postpone.

I well know that now, as in 1957, I shall be subjected to a lot of criticism and misunderstanding on the part of very sincere and wonderfully intentioned people who believe that the ends justify the means in civil rights legislation, and that the only thing that counts happens to be the ends; that we must get civil rights legislation, and we do not have to pay very much attention to the procedural means by which we get that legislation.

I can understand how people will hold that point of view, but it is not mine. I will never adopt that point of view in the Senate, because it is important for us to follow orderly procedure in this body. I do not yield to any Member of the Senate in my dedication to civil rights, and I am in favor of the adoption of the strongest possible civil rights bill we can pass in this session of Congress. It will be found that the Senator from Oregon will be challenged in the Senate time and time again, in the days and weeks ahead, as we consider civil rights legislation, for going much further than I surmise a majority in the Senate will try to go in seeking to get effective civil rights legislation.

I believe that we must pass legislation which will put into effect the Supreme Court's historic decisions in respect to the school systems of this country, and that we ought to pass legislation which will guarantee putting into effect the meaning of the 14th and 15th amendments, which assure Negroes in this country the right to vote.

It will be recalled that in the debate in 1957 I pointed out that in my judgment the bill would not result in adding a single Negro voter to the voting rolls of this country. It is interesting to note that that the Civil Rights Commission report, filed with the Congress only a few days before adjournment last year, in effect said the same thing.

We have to pass a civil rights bill which will really give some teeth to any provision which involves an attempt to give the Negroes of this country voting privileges.

Mr. President, I think it is a great mistake for those of us working so sincerely together on the substantive features of civil rights to find ourselves the least bit quarreling over the procedures to be followed. I want my colleagues to

House of Representatives

TUESDAY, FEBRUARY 16, 1960

The House met at 12 o'clock noon.

Rev. Francis Giedgaudas, president, Lithuanian Franciscan Press, Brooklyn, N.Y., offered the following prayer:

Almighty God, Thou blessed the United States of America when she declared her independence, proclaiming "that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness."

Thou, Almighty God, also blessed the Lithuanian Nation, when in reestablishing her independence in 1918 she regained these same rights, and for 20 years this peaceful and happy life continued, only to be lost again to the enemy of God and man. While marching to the west, communism was destroying the rights of life, liberty, and the pursuit of happiness.

Let the blood of those unnumbered thousands of Lithuanians shed in the fight for freedom be a warning to the people of the free world to cherish and defend their own liberties.

Continue to bless, O Lord, the people of the United States of America who show such a solidarity with the captive nations. Strengthen in them the knowledge that their mission is "to establish justice, insure tranquillity, promote the general welfare, and secure the blessings of liberty" not only "to ourselves and our posterity," but also to all the nations of the world. For liberty, justice, and happiness applied to all is the only way toward universal peace.

Until this happens, will Thou, Almighty, strengthen Lithuania in courage and hope.

May the date of attribution arrive soon to that part of the world which is so hungering for freedom. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 9664. An act to stabilize support levels for tobacco against disruptive fluctuations and to provide for adjustment in such levels in relation to farm cost.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3610) entitled "An act to amend the Federal Water Pollution Control Act to increase grants for construction of sewage treatment works, and for other purposes."

MUTUAL SECURITY PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 343)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Foreign Affairs, and ordered to be printed:

To the Congress of the United States:

A year ago in my message to the Congress on the mutual security program, I described it as both essential to our security and important to our prosperity. Pointing out that our expenditures for mutual security are fully as important to our national defense as expenditures for our own forces, I stated that the mutual security program is not only grounded in our deepest self-interest but springs from the idealism of the American people which is the true foundation of our greatness. It rests upon five fundamental propositions:

(1) That peace is a matter of vital concern to all mankind.

(2) That to keep the peace, the free world must remain defensively strong.

(3) That the achievement of a peace which is just depends upon promoting a rate of world economic progress, particularly among the peoples of the less developed nations, which will inspire hope for fulfillment of their aspirations.

(4) That the maintenance of the defensive strength of the free world, and help to the less developed, but determined and hard working, nations to achieve a reasonable rate of economic growth are a common responsibility of the free world community.

(5) That the United States cannot shirk its responsibility to cooperate with all other free nations in this regard.

It is my firm conviction that there are only a few in the United States who would deny the validity of these propositions. The overwhelming support of the vast majority of our citizens leads us inexorably to mutual security as a fixed national policy.

The mutual security program is a program essential to peace. The accomplishments of the mutual security program in helping to meet the many challenges in the mid-20th century place it among the foremost of the great programs of American history. Without them the map of the world would be vastly different today. The mutual security program and its predecessors have been an indispensable contributor to the present fact that Greece, Turkey, Iran, Laos, Vietnam, Korea, and Taiwan, and many nations of Western Europe, to mention only part, remain the home of freemen.

While over the past year the Soviet Union has expressed an interest in measures to reduce the common peril of war, and while its recent deportment and pronouncements suggest the possible opening of a somewhat less strained period in our relationships, the menace of Communist imperialism nevertheless still remains. The military power of the Soviet Union continues to grow. Increasingly important to free world interests is the rate of growth of both military and economic power in Communist China. Evidence that this enormous power bloc remains dedicated to the extension of Communist control over all peoples everywhere is found in Tibet, the Taiwan Straits, in Laos and along the Indian border.

In the face of this ever-present Communist threat, we must, in our own interest as well as that of the other members of the free world community, continue our program of military assistance through the various mutual security arrangements we have established. Under these arrangements each nation has responsibilities, commensurate with its capabilities, to participate in the development and maintenance of defensive strength. There is also increasing ability of other free world nations to share the burden of this common defense.

Obviously, no one nation alone could bear the cost of defending all the free world. Likewise, it would be impossible for many free nations long to survive if forced to act separately and alone. The crumbling of the weaker ones would obviously and increasingly multiply the threats to those remaining free, even the very strongest.

Collective security is not only sensible—it is essential.

That just peace which has always been and which remains our primary and common goal can never be obtained through weakness. The best assurance against attack is still the possession and maintenance of free world strength to deter attack.

The nations of Europe are increasingly assuming their share of the common defense task. None of our NATO partners other than Greece, Turkey, and Iceland now requires nor receives any economic assistance. Indeed, in rising volume, these nations are now providing

economic assistance to others. Our NATO allies are also meeting their military needs to an increasing degree; several major countries now require no help. Our military programs in NATO countries today are largely designed and executed as joint cost-sharing arrangements whereby vital additional defense needs are met through mutual effort.

It is clear that while every possibility to achieve trustworthy agreements which would reduce the peril of war must be explored, it would be most foolish to abandon or to weaken our posture of common deterrent strength which is so essential a prerequisite to the exploration of such possibilities. The need is for steadfast, undramatic, and patient persistence in our efforts to maintain our mutual defenses while working to find solutions for the problems which divide the world and threaten the peace.

The mutual security program is a program essential to world progress in freedom. In addition to its mutual defense aspects, it also is the American part of a cooperative effort on the part of freemen to raise the standards of living of millions of human beings from bases which are intolerably low, bases incompatible with human dignity and freedom.

Hundreds of millions of people throughout the world have learned that it is not ordained that they must live in perpetual poverty and illness, on the ragged edge of starvation. Their political leaders press the point home. In a variety of ways this drive is moving forward by fits and starts, often uncertain of its direction. It is sometimes involved in free world struggle against communism, sometimes not. It is clearly in the interests of the United States that we assist this movement so that these countries may take their places as free, independent, progressing and stable members of the community of nations. It is equally clear that it would be against our interests if this forward movement were stifled or hindered. The result would be to breed frustration and explosive threats to political and economic stability in areas around the world.

Equally with military security, economic development is a common necessity and a common responsibility. An investment in the development of one part of the free world is an investment in the development of it all. Our welfare, and the welfare of all freemen, cannot be divided—we are dependent one on the other. It is for each of us, the strong and the weak, the developed and the less developed, to join in the great effort to bring forth for all men the opportunity for a rewarding existence in freedom and in peace. World economic expansion and increase in trade will bring about increased prosperity for each free world nation.

New challenges, with corresponding opportunities, are now visible before us: the acceleration of the achievement of independence of peoples in Africa; the growing restlessness in the less developed areas; and the increasing potential for partnership and assistance to these areas as a result of the continued growth of the now healthy economies of the industrialized Western European nations and of Japan, Canada, and Australia.

Free world cooperation is becoming the watchword of this effort. In the past year the capital of the International Bank for Reconstruction and Development was doubled and that of the International Monetary Fund was increased by half. In addition, a U.S. proposal for an International Development Association to be affiliated with the International Bank for Reconstruction and Development has been accepted in principle and a draft charter recently has been submitted to member governments. I expect to transmit to the Congress recommendations on this matter in the near future. The industrialized nations of Europe, together with Japan and Canada, are notably stepping up their participation in cooperative efforts among themselves and with the less developed countries to promote growth. Similar approaches will be discussed at a meeting of representatives of a number of nations, to be held in Washington in March.

In our own Western Hemisphere society of nations we are now joined in a great new venture, the Inter-American Development Bank. This new institution, formed in partnership with our neighboring nations, should prove of immense value in promoting the more rapid development of the member nations. Our participation in this joint effort is significant of the special interest which we have in the progressive development of our neighbors. Together with the very considerable dimensions of private and Government investment taking place in the hemisphere and the mutually beneficial technical cooperation we have so long enjoyed with our neighbors, it should serve to accelerate progress.

Thus, the military and economic resources which we provide through the mutual security program to help create and maintain positions of strength are properly to be regarded as what they are—investments in the common defense and welfare and, thus, in our own security and welfare. This is a mutual security program.

Our concepts are sound, our policies of proven value, and our will to meet our responsibilities undiminished and constant.

THE PROPOSALS FOR FISCAL YEAR 1961

The form and general structure of the mutual security program for fiscal year 1961 remains essentially that which has stood the test of experience. In the administration of the various mutual security programs changes have been instituted in organization, programing, and management controls. It was, in part, for the purpose of analyzing and making recommendations for improving the administration of the program that I appointed last year a distinguished group of citizens headed by General Draper. Many of the recommendations that they made have already been put into effect. We are constantly seeking additional management improvements to meet the program needs and difficult problems of operating these diverse programs on a worldwide basis. The categories of activity are the same as those with which the Congress is familiar. Adjustments in the nature and dimension of activity are proposed which reflect and are responsible to the changes in the world scene, in the degrees of need and of capability for self-help. These adjustments also are consistent with an analysis of future needs and of future changes and capability for self-help. This forward analysis was, in part, conducted in conformance with the requirement of law that plans of future grant economic assistance be developed and presented to the Congress. The detailed plans and conclusions on future assistance will be submitted to the Congress in the near future.

MILITARY ASSISTANCE

For military assistance I am requesting in the pending Department of Defense budget an appropriation of $2 billion. This is more than was requested, or than was provided for fiscal year 1960. The request for a larger appropriation is not made in order to increase the proportionate share of the U.S. participation in the common defense. Nor does it reflect an intent to embark on a vast expansion of the military assistance program.

The amount requested for military assistance within the defense budget is in my considered judgment, and in that of the Joint Chiefs of Staff, a need for our defense equally compelling and of equal importance with the needs of our own services provided for elsewhere in the defense budget.

The amount requested is the result of careful and detailed review of the needs of our allies to enable them to maintain the level of combat effectiveness made possible by previous military assistance and to provide, mostly on a cost-sharing basis, for certain essential force improvement projects. Without adequate provision for maintenance, the moneys previously spent would be largely wasted. And without force improvement, without the provision of more advanced weapons, the free world forces would inevitably fall behind in their ability to counter modernized aggressor forces.

The fact, if it is a fact, of reductions in Soviet military manpower, does not alter the need for the maintenance of our collective defense. Soviet military power, as Mr. Khrushchev's own statements make clear, remains great. Our plans have never attempted to match Soviet armed manpower; they have been and are designed to deter aggression. Of special importance is the maintenance of a strong and effective deterrent posture in the NATO alliance. As indicated earlier, the improving economic position of Western Europe as a whole makes it possible for Europe to share increasingly in the cost of the common defense, and for certain major European countries to maintain their defense efforts without U.S. assistance. At the same time, the requirements for modernization and improvement are of such dimension that our participation in joint cost-sharing projects with certain European countries over the imme-

diate future is still essential. Provision for such contributions is included in the proposed program.

The amount requested for fiscal 1961 is consistent with the recommendations of the bipartisan Committee of distinguished citizens headed by General Draper, which I appointed last year to review our policies and programs. This Committee strongly urged the maintenance of a delivery program of approximately $2 billion annually. In recent years, annual deliveries have averaged about $2.2 billion. Deliveries in fiscal year 1960, however, reflecting the reduced appropriations of recent years, will fall back to $1.8 billion or less. Unexpended balances carried over from previous years have now been reduced to a minimum and deliveries in future years will closely approximate the annual appropriation level.

In my considered judgment, an appropriation of $2 billion for fiscal year 1961 is the minimum amount consistent with the maintenance of a firm and adequate collective defense posture. Anything less in effect precludes essential modernization and improvement of forces and limits us to a bare maintenance program.

ECONOMIC ASSISTANCE

DEFENSE SUPPORT

For 12 of the nations with whom we are joined in collective or mutual security arrangements, we have for some years been contributing not only military resources required in the common defense but economic resources in the measure needed to permit the maintenance of such defenses without incurring political or economic instability. This category of resource contribution we term "defense support"—economic resources to assure a defense posture. These 12 countries maintain forces of over 3,000,000 men, more than the total number in the U.S. Armed Forces, and each of these underdeveloped countries, except for Spain, is part of the exposed land and offshore island belt that forms the immediate southern and eastern boundary of the Sino-Soviet empire. Requirements in this defense support category have decreased somewhat; for fiscal year 1961, I am requesting for these programs $724 million or $111 million less than I asked for last year. This reduced requirement reflects in some measure a gradual but perceptible improvement in the economic situations in these countries. More than half, 56 percent, is for the three Far Eastern countries of Korea, Taiwan, and Vietnam which have the common characteristics that they are divided countries facing superior Communist forces on their borders, forces which the Communists previously have demonstrated their willingness to use, thereby compelling these frontier nations to support armed forces far in excess of their unaided capacities to maintain. The amounts requested for these purposes represent the least we can contribute and retain confidence that adequate defenses will be maintained.

SPECIAL ASSISTANCE

Another category of international cooperation in the mutual security program is the provision of economic resources to other nations where such resources are essential to the maintenance of their freedom and stability. This category of cooperation we term "special assistance." I am requesting $268 million for these purposes in fiscal year 1961. Such provisions will enable us, for example, to continue aid to the young nations of Morocco, Libya, and Tunisia, to strengthen the stability of Jordan and the Middle East, to combat the encroachment of Communist influence in Afghanistan, and to undergird the economies in Bolivia and Haiti. Special assistance will also enable our continued participation in such vital programs as the worldwide antimalaria campaign.

AID TO DEVELOPMENT

The achievement of economic progress, of growth, depends on many things. Through collective security arrangements, through defensive measures, by giving military aid and defense support, we and other nations can achieve a measure of security and stability within which the process of development is possible and can be fostered. The primary and essential prerequisite internally is the determination to progress and take the actions needed and to make the sacrifices required. No matter how great the determination, however, there will remain tremendous needs for both technical improvement and capacity and for development capital. If a pace of development is to be achieved which will meet the essential demands of these peoples, outside help is a necessity.

TECHNICAL COOPERATION

Through our long-established program of technical cooperation and by our contributions to the United Nations activities in the technical assistance field, we make a major contribution toward the satisfaction of this thirst and need for growth in knowledge and technical capacity. The mutual security program proposed for fiscal year 1961 continues these vital activities and provides for the enlargement and extension of our technical assistance programs in the newly emerging nations of Africa. For bilateral technical assistance I request $172.5 million; for our participation in United Nations technical assistance programs I ask $33.5 million; and to supplement our much larger bilateral program with our neighbors to the south, I ask $1.5 million for the program of technical assistance which we conduct in cooperation with them through the Organization of American States.

AFRICA

Of inescapable interest to the United States in the world today is the increasing assumption of self-government by the peoples of the great continent of Africa especially in the area south of the Sahara. This vast area deserves and commands the full attention and assistance of the free world if it is to develop its institutions and its economy under freedom. While the needs of Africa south of the Sahara for development capital are real and can be expected to grow, there is an imperative and immediate requirement for increased education and training. The request for appropriations for special assistance includes an amount of $20 million for a special program to be instituted for the improvement of education and training in Africa south of the Sahara, with particular emphasis to be given to the meeting of needs which are common to all the countries of the area. It is my belief that this initial effort must grow significantly in the immediate years ahead and complement similar efforts on the part of other free world nations so that the capacity of the new and other developing nations in Africa to manage and direct their development can be strengthened and increased rapidly and effectively. Without such strengthening and development of education and training, the preconditions of vigorous economic growth cannot be established.

DEVELOPMENT LOAN FUND

In the field of development assistance, the Development Loan Fund is proving to be an increasingly effective instrument for response to those needs which cannot be satisfied from private investment, the World Bank or other like sources. It has assisted in the installation of basic facilities, such as power and transportation, necessary for growth in the less developed areas. Particularly important are the expanded activities of the Development Loan Fund in the field of private enterprise. The Development Loan Fund is opening new opportunities to build an effective partnership with American private enterprise wherein the private resources of the country can make an increased contribution to development in the less developed nations. The history of the Development Loan Fund activity over the past 2 years indicates that the flow of such loan capital has tended to respond to the degree of need and of capability. In other words, those areas where the determination and the will to progress are greatest and the capacity to use such resource effectively is the greatest, have been the leading recipients of loan assistance from the Development Loan Fund. I request $700 million for the Development Loan Fund for use beginning in fiscal year 1961.

SOUTH ASIA

Over the past 2 years a major share of Development Loan Fund loans have been made to the two great nations of South Asia, India and Pakistan, where half a billion people are deeply committed and irrevocably determined to develop and maintain institutions of their own free choice, and to raise their standards of living to levels of decency. The force and drive of this great effort is unmistakable; it warrants the full and warm support of the free world. We have joined with other nations in helping these countries; we envisage the total public and private effort to assist South Asia not only continuing but expanding. An increased amount is expected to be devoted to this great cause from the resources requested for the Development Loan Fund for fiscal year 1961 as these countries increase even further their own self-help efforts.

THE INDUS BASIN DEVELOPMENT

A development of major significance in South Asia is the substantial progress

being made under the auspices of the World Bank to effect a solution to the complex and difficult problem of the use of the waters of the Indus River Basin as between India and Pakistan. Vital interests of both countries are involved; the solution must involve a plan whereby the waters, on which the agriculture, the food supplies, and the economies of the region depend, can be equitably developed and shared. It is anticipated that an agreement on such a development plan may be reached in the near future. Essential to its fruition is the willingness of nations outside South Asia to assist in the development plan, the cost of which cannot be borne by these nations unaided. Under World Bank auspices, plans are being developed whereunder the Bank, British Comonwealth nations, West Germany, and the United States will each contribute to the costs of the development plan and the supervision and management of the enterprise will be undertaken by the Bank. We propose to provide a measure of assistance to this activity through the mutual security program in fiscal year 1961 and in subsequent years as needs arise. To assure that we can effectively participate in this multilateral undertaking, I am asking for authorization to exercise flexibility in the application of regulations normally applied to bilateral undertakings, if and when such exceptional action is required for this great project. The solution of this troublesome international issue should be of great assistance in promoting a peaceful and cooperative resolution of other divisive issues and encourage a maximum concentration on the major goals of peace and prosperity.

REPUBLIC OF CHINA

The mutual security program can be expected also to be responsive to the needs of other areas and countries as their determination and capacity to employ development capital grows. We have received proposals from the Government of the Republic of China for an expanded and accelerated program of economic reform and development to which we are giving close and careful attention. The vigorous and skilled population on Taiwan, the record of growth in investment and output, the very real potential for acceleration, offer a prospect for a convincing demonstration that under free institutions a pace and degree of achievement can eventually be obtained in excess of that resulting under totalitarianism. For this purpose, we envisage the full employment of both grant and loan assistance to hasten the day of ultimate viability and self-sustaining growth.

CONTINGENCY FUND AND OTHER PROGRAMS

In addition to the major categories of cooperation which I have mentioned, military assistance and defense support, special assistance, technical cooperation, and the Development Loan Fund, I am asking also for a contingency fund of $175 million and for $101 million to continue a variety of small but important programs.

The contingency fund is an essential safeguard against the unforeseen or not wholly predictable need. The record of the past several years clearly demonstrates its value as enabling prompt and effective response to the altering course of international events.

The $101 million requested for other programs will permit our continued participation in UNICEF, in refugee programs and in the foreign programs for peaceful uses of atomic energy. It also will provide for administrative costs to administer the economic and technical programs.

For the total mutual security program I ask $4,175 billion. The need for these amounts has been examined and reexamined with great care in the executive branch. I am entirely satisfied that the needs for which funds are sought are needs which must be met and that the funds sought are the most reasonable estimates of requirements we can produce. There is no question but that the Nation can afford the expenditures involved; I am certain we cannot afford to ignore the needs for which they are required.

CONCLUSION

The United States is a privileged nation. Its citizens enjoy a measure of prosperity and well-being and an extent of liberty under free institutions unequalled in the history of the world. Our ideals and our ideology place upon us a responsibility for leadership and for cooperation with other nations and other peoples which we accept willingly and with pride.

My recent travels impressed upon me even more strongly the fact that freemen everywhere look to us, not with envy or malice but with hope and confidence that we will in the future as in the past be in the vanguard of those who believe in and will defend the rights of the individual to enjoy the fruits of his labor in peace and in freedom. Together with our fellow men, we shall not fail to meet our responsibilities.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *February 16, 1960.*

CORRECTION OF VOTE

Mr. SAUND. Mr. Speaker, on rollcall No. 4 I am recorded as absent. I was present and voted "yea." I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from California?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. HALLECK asked and was given permission to address the House for 1 minute.)

Mr. HALLECK. Mr. Speaker, I take this time to inquire of the majority leader as to the program.

Mr. McCORMACK. Mr. Speaker, we have certain resolutions reported by the Committee on House Administration, but they will not be taken up today. They will be taken up the first thing tomorrow.

These resolutions are as follows:

SUBCOMMITTEE ON ACCOUNTS

House Resolution 419—Mr. PATMAN: Request for additional $260,000 for the Select Committee on Small Business.

House Resolution 421—Mr. BUCKLEY: Request for additional $350,000 for the Committee on Public Works.

House Resolution 423—Mr. RAINS: Request for additional $100,000 for the Committee on Banking and Currency—Subcommittee on Housing.

House Resolution 425—Mr. CELLER: Request for additional $225,000 for the Committee on the Judiciary.

House Resolution 427—Mr. TEAGUE of Texas: Request for additional $50,000 for the Committee on Veterans' Affairs.

SUBCOMMITTEE ON PRINTING

House Concurrent Resolution 558—Mr. MILLS: Providing for printing additional copies of the panel discussions entitled "Income Tax Revision."

House Concurrent Resolution 579—Mr. TEAGUE of Texas: Authorizing the printing of additional copies of a veterans' benefits calculator.

House Resolution 428—Mr. BROWN of Georgia: Authorizing the printing of additional copies of the report entitled "Ninth Annual Report of the Activities of the Joint Committee on Defense Production."

House Resolution 414—Mr. WALTER: Providing for printing additional copies of the consultations entitled "The Crimes of Khrushchev," parts 1, 2, 3, and 4.

SUBCOMMITTEE ON ELECTIONS OF THE COMMITTEE ON HOUSE ADMINISTRATION

Mr. FRIEDEL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Elections of the Committee on House Administration may have permission to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

LITHUANIAN INDEPENDENCE

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. MURPHY] is recognized for 1 hour.

Mr. MURPHY. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may be granted permission to extend their remarks in the RECORD immediately following my remarks on Lithuanian independence.

The SPEAKER pro tempore [Mr. ALBERT]. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MURPHY. Mr. Speaker, human beings live by the beliefs they hold and the ideals they cherish; these form the sum total of their spiritual possessions. Among these beliefs and ideals freedom and independence hold a place apart, and are generally regarded as among those most consistently cherished and most eagerly pursued. Individuals and nations have always seemed prepared to make the supreme sacrifice for the attainment of those supreme goals. In

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

FEBRUARY 18 (legislative day, FEBRUARY 15), 1960

Mr. FULBRIGHT (by request) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Security Act of 1960".

CHAPTER I—MILITARY ASSISTANCE

MILITARY ASSISTANCE

SEC. 101. Section 105 (b) (4) of the Mutual Security Act of 1954, as amended, which relates to conditions applicable to military assistance, is amended by striking out the last sentence.

CHAPTER II—ECONOMIC ASSISTANCE

DEFENSE SUPPORT

SEC. 201. Title I of chapter II of the Mutual Security Act of 1954, as amended, which relates to defense support, is amended as follows:

(a) In section 131 (b), which relates to general authority, strike out "1960" and "$751,000,000" and substitute "1961" and "$724,000,000", respectively.

(b) In section 141, which relates to conditions of eligibility for assistance, strike out "No such assistance" in the second sentence and substitute "No defense support or military equipment and materials".

(c) In section 142 (a), which relates to agreements, strike out "No assistance" in the introductory clause and substitute "No defense support or military equipment and materials".

DEVELOPMENT LOAN FUND

SEC. 202. Section 205 (a) of the Mutual Security Act of 1954, as amended, which relates to management, powers, and authorities, is amended by striking out "Under Secretary of State for Economic Affairs" in the first sentence and substituting "Secretary of State".

TECHNICAL COOPERATION

SEC. 203. Title III of chapter II of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is amended as follows:

(a) In section 304, which relates to authorization, strike out "$179,500,000" and "1960" and substitute "$172,000,000" and "1961", respectively.

(b) Amend section 306, which relates to multilateral technical cooperation and related programs, as follows:

(1) In subsection (a), which relates to contributions to the United Nations Expanded Program of Technical Assistance and related fund, strike out "$30,000,000" and "1960" and substitute "$33,000,000" and "1961", respectively.

(2) In subsection (b), which relates to contributions to the technical cooperation program of the Organization of American States, strike out "1960" and substitute "1961".

SPECIAL ASSISTANCE AND OTHER PROGRAMS

SEC. 204. Title IV of chapter II of the Mutual Security Act of 1954, as amended, which relates to special assistance and other programs, is amended as follows:

(a) In section 400(a), which relates to special assist-

ance, strike out "1960" and "$247,500,000" and substitute "1961" and "$268,500,000", respectively.

(b) In section 401, which relates to the United Nations Emergency Force, strike out "1960" in the second sentence and substitute "1961".

(c) In section 402, which relates to earmarking of funds, strike out "1960" in the first sentence and substitute "1961".

(d) In section 403, which relates to responsibilities in Germany, strike out "1960" and "$7,500,000" in the first sentence and substitute "1961" and "$6,750,000", respectively.

(e) Insert after section 403 the following new section 404:

"SEC. 404. INDUS BASIN DEVELOPMENT.—The Congress of the United States welcomes the progress made through the good offices of the International Bank for Reconstruction and Development toward the development of the Indus Basin through a program of cooperation among south Asian and other nations of the free world in order to promote economic growth and political stability in south Asia, and affirms the willingness of the United States, pursuant to authorities contained in this and other Acts, to participate in this significant undertaking. In the event that funds appropriated pursuant to this Act are made avail-

able to be used by or under the supervision of the International Bank for Reconstruction and Development in furtherance of the foregoing purposes, such funds may be used in accordance with requirements, standards, or procedures established by the Bank concerning completion of plans and cost estimates and determination of feasibility, rather than with requirements, standards, or procedures concerning such matters set forth in this or other Acts; and such funds may also be used without regard to the provisions of section 901 (b) of the Merchant Marine Act of 1936, as amended (46 U.S.C. 1241), whenever the President determines that such provisions cannot be fully satisfied without seriously impeding or preventing accomplishment of such purposes.".

(f) Amend section 405, which relates to migrants, refugees, and escapees, as follows:

(1) In subsection (c), which relates to contributions to the program of the United Nations High Commissioner for Refugees, strike out "1960" and "$1,100,000" and substitute "1961" and "$1,500,000", respectively.

(2) In subsection (d), which relates to the continuation of activities undertaken for selected escapees, strike out "1960" and "$5,200,000" and substitute "1961" and "$3,500,000", respectively.

(g) In section 406, which relates to children's welfare, strike out "1960" and substitute "1961".

(h) In section 407, which relates to Palestine refugees in the Near East, strike out "1960" and "$25,000,000" in the first sentence and substitute "1961" and "$18,500,000", respectively; and strike out the proviso in the first sentence.

(i) In section 409 (c), which relates to ocean freight charges, strike out "1960" and "$2,300,000" and substitute "1961" and "$2,000,000", respectively.

(j) Amend section 411, which relates to administrative and other expenses, as follows:

(1) In subsection (b), which relates to certain expenses of administering nonmilitary assistance, strike out "1960" and "$39,500,000" and substitute "1961" and "$40,000,000", respectively.

(2) In subsection (c), which relates to administrative and other expenses of the Department of State, strike out "to" after "appropriated" and substitute "for expenses of".

(k) Section 412, which relates to the President's special education and training fund, is repealed.

(l) In section 419 (a), which relates to atoms for peace, strike out "1960" and "$6,500,000" and substitute "1961" and "$3,400,000", respectively.

Chapter III—Contingency Fund

Sec. 301. Section 451 (b) of the Mutual Security Act of 1954, as amended, which relates to the President's special authority and contingency fund, is amended by striking out "1960" and "$155,000,000" in the first sentence and substituting "1961" and "$175,000,000", respectively.

Chapter IV—General and Administrative Provisions

Sec. 401. Chapter IV of the Mutual Security Act of 1954, as amended, which relates to general and administrative provisions, is amended as follows:

(a) Section 504 (d), which relates to small machine tools and other industrial equipment, is repealed.

(b) In section 505 (a), which relates to loan assistance and sales, insert after the first sentence the following new sentence: "Commodities, equipment, and materials transferred to the United States as repayment may be used for assistance authorized by this Act, other than title II of chapter II, in accordance with the provisions of this Act applicable to the furnishing of such assistance.".

(c) In section 513, which relates to notice to legislative committees, insert before ", and copies" in the last sen-

tence the following: "and under the last clause of the second sentence of section 404".

(d) Amend section 527, which relates to employment of personnel, as follows:

(1) In subsection (b), which relates to employment of personnel in the United States, strike out "seventy" and "forty-five" in the first sentence and substitute "seventy-eight" and "fifty-three", respectively.

(2) In subsection (c), which relates to employment of personnel outside the United States, strike out "Director" in the introductory clause and substitute "President"; and insert before the period at the end of paragraph (2) the following new proviso: ": *Provided further*, That Foreign Service Reserve officers appointed, or assigned pursuant to this paragraph shall receive in-class promotions in accordance with such regulations as the President may prescribe".

(3) In subsection (d), which relates to appointment of alien employees outside the United States, strike out ", at the request of the Director".

(e) Section 531, which relates to security clearance, is repealed.

(f) In section 534(a), which relates to reports, strike out "six months" in the first sentence and substitute "fiscal year".

(g) In section 537 (a), which relates to provisions on uses of funds, amend paragraph (3) to read as follows: "(3) contracting with individuals for personal services abroad: *Provided*, That such individuals shall not be regarded as employees of the United States for the purpose of any law administered by the Civil Service Commission;".

(h) In section 537 (c), which relates to construction or acquisition of facilities abroad, strike out "$2,750,000" and substitute "$4,250,000".

Chapter V—Technical Amendments Reflecting New Limits of United States

Sec. 501. The Mutual Security Act of 1954, as amended, is amended as follows:

(a) In section 205 (c), strike out "continental" in the twelfth clause of the first sentence.

(b) In section 411 (d), strike out "the continental limits of".

(c) In section 527 (c), strike out "the continental limits of" in the introductory clause.

(d) In section 527 (d), strike out "the continental limits of".

(e) In section 530 (a), strike out "the continental limits of".

(f) In section 537 (a), strike out "continental" in the

last proviso of paragraph (5) and in paragraphs (13) and (17); and strike out "the continental limits of" in paragraph (10).

Chapter VI—Amendments to Other Laws

Sec. 601. Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1721 and the following), which relates to famine relief and other assistance, is amended as follows:

(a) In section 202, strike out "The" at the beginning thereof and substitute the following: "In order to facilitate the utilization of surplus agricultural commodities in meeting the requirements of needy peoples, and in order to promote economic development in underdeveloped areas in addition to that which can be accomplished under title I of this Act, the".

(b) In section 203, insert before the period at the end of the third sentence the following: ", and charges for general average contributions arising out of the ocean transport of commodities transferred pursuant hereto may be paid from such funds".

Sec. 602. Section 501(b) of the Mutual Security Act of 1959 (73 Stat. 256), which relates to international cooperation in health, is repealed.

Sec. 603. Section 2 of Public Law 174, Seventy-ninth Congress, as amended (22 U.S.C. 279a), which relates to

United States membership in the United Nations Food and Agriculture Organization, is amended by inserting "such" before "sums" and striking out "not exceeding $3,000,000".

SEC. 604. Section 3 (a) of Public Law 403, Eighteenth Congress, as amended (22 U.S.C. 280b), which relates to United States membership in the South Pacific Commission, is amended by striking out "Not more than $75,000 annually" and substituting "Such sums annually as may be required".

86TH CONGRESS
2D SESSION

S. 3058

A BILL

To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

By Mr. FULBRIGHT

FEBRUARY 18 (legislative day, FEBRUARY 15), 1960
Read twice and referred to the Committee on Foreign Relations

"Whereas the State of Washington has obligated all its available funds for flood control which were appropriated for such purpose by the last legislature; and

"Whereas we are advised that the U.S. Army Corps of Engineers can do emergency work only on flood control projects which were originally constructed under its supervision and can do original construction work only on projects approved by the Congress and for which funds have been made available; and

"Whereas we are also advised that Federal funds are only expended on projects which the U.S. Army Corps of Engineers has surveyed and reported that the benefits from such project would equal or exceed its costs; and

"Whereas we are aware that the most recent report of the U.S. Army Corps of Engineers in this respect was prepared in 1952 and recommended against major flood control expenditures in the counties herein referred to on the basis that the costs of adequate flood control projects would exceed the benefits to be derived therefrom; and

"Whereas we are advised that our Congressional delegation has requested that the U.S. Army Corps of Engineers be authorized and directed to survey the drainage basins and watersheds of the areas of the western Cascade Mountains in the State of Washington which are periodically subjected to inundation and report the findings of such survey to the Congress; and

"Whereas it is our firm belief that such survey being more recent than the 1952 report will determine that the present utilization and value of the land subjected to inundation and the economic loss to the communities involved is of such extent that the benefits now to be derived from flood control expenditures in the area will far exceed the costs; and

"Whereas recurring uncontrolled floods in the area will greatly compound the damages already suffered and unless measures are taken to provide flood control the area will ultimately be removed from productive use; and

"Whereas other requests and recommendations for flood control projects in the State of Washington are presently before the Congress or shortly will be presented for congressional and administrative approval:

"Now, therefore, your memorialists respectfully pray that the President of the United States and the Congress take action to authorize immediate emergency flood control work in the State of Washington and more particularly in those counties subjected to inundation by floodwaters of the streams and rivers of the western Cascade Mountains which present the immediate danger of springtime flooding and provide appropriations and otherwise make funds available to implement such emergency work; and be it further submitted, that we, your memorialists, respectfully pray that the President of the United States and the Congress take action to authorize construction of long-range flood control projects which will adequately provide future protection to the citizens of the areas of this State affected by previous floods and provide appropriations for early construction of such projects; and be it

"*Resolved*, That copies of this memorial be immediately transmitted to the Honorable Dwight D. Eisenhower, President of the United States, the President of the U.S. Senate, the Speaker of the House of Representatives of the United States, to each Member of Congress from the State of Washington, to E. C. Itschner, major general, U.S. Army, Chief of Engineers, U.S. Army Corps of Engineers, to B. P. Young, colonel, U.S. Army, district engineer, Seattle, U.S. Army Corps of Engineers, and to Hon. Albert D. Rosellini, Governor of the State of Washington."

A resolution adopted by the Panama Canal Society of Northern California, recommending that the U.S. Government should take a firm stand in its relations with the Republic of Panama, and strictly adhere to its obligations under the 1956 treaty with Panama; to the Committee on Foreign Relations.

A resolution adopted at a meeting of 67 Lithuanian organizations in Worcester, Mass., relating to Lithuanian independence; to the Committee on Foreign Relations.

Resolutions adopted by the Committee for Return of Confiscated German and Japanese Property, Washington, D.C., relating to support for liberal forces in Germany, and so forth; to the Committee on the Judiciary.

A resolution adopted by a convention of Republicans of the Fifth District of Oklahoma, protesting against the enactment of legislation to grant Federal aid to education; to the Committee on Labor and Public Welfare.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. HUMPHREY, from the Committee on Agriculture and Forestry, with amendments:

H.R. 9331. An act to increase the authorized maximum expenditure for the fiscal years 1960 and 1961 under the special milk program for children (Rept. No. 1095).

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MUSKIE:

S. 3055. A bill to authorize and direct the Treasury to cause the vessel *Edith Q.*, owned by James O. Quinn, of Sunset, Maine, to be documented as a vessel of the United States with full coastwise privileges; to the Committee on Interstate and Foreign Commerce.

By Mr. JAVITS:

S. 3056. A bill to amend the Trading With the Enemy Act, as amended, so as to provide for certain payments for the relief and rehabilitation of needy victims of Nazi persecution, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. LONG of Hawaii:

S. 3057. A bill to amend the Federal Executive Pay Act of 1956 so as to increase the salary of the Governor of American Samoa; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. LONG of Hawaii when he introduced the above bill, which appear under a separate heading.)

By Mr. FULBRIGHT (by request):

S. 3058. A bill to amend further the Mutual Security Act of 1954, as amended, and for other purposes; to the Committee on Foreign Relations.

(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

By Mr. WILLIAMS of New Jersey:

S. 3059. A bill for the relief of Jesus Rodriguez Fernandez; to the Committee on the Judiciary.

By Mr. MURRAY:

S. 3060. A bill to establish Federal agricultural services to Guam, and for other purposes; to the Committe on Agriculture and Forestry.

By Mr. CHAVEZ:

S. 3061. A bill for the relief of Nikolas Katragazes (also known as Nick Katrys); to the Committee on the Judiciary.

By Mr. SPARKMAN:

S. 3062. A bill for the relief of Carl C. Golson; to the Committee on the Judiciary.

By Mr. MORSE (for himself and Mr. NEUBERGER):

S. 3063. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the upper division of the Baker Federal reclamation project, Oregon, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 3064. A bill for the relief of Nicolasa Martin Ballestaros;

S. 3065. A bill for the relief of John Wong (also known as Nai Hong Wong); and

S. 3066. A bill for the relief of Rudolph Carl Bergman; to the Committee on the Judiciary.

By Mr. HUMPHREY (for himself and Mr. JAVITS):

S. 3067. A bill to amend title II of the Social Security Act to provide disability insurance benefits thereunder for any individual who is blind and has at least one quarter of coverage, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. MURRAY:

S.J. Res. 165. Joint resolution to provide for the designation of the 22d day of August of each year as National Children's Day to the Committee on the Judiciary.

By Mr. SALTONSTALL:

S.J. Res. 166. Joint resolution authorizing the Architect of the Capitol to permit certain temporary and permanent construction work, on the Capitol grounds in connection with the erection of a building on privately owned property adjacent thereto; to the Committee on Public Works.

(See the remarks of Mr. SALTONSTALL when he introduced the above joint resolution, which appear under a separate heading.)

CONCURRENT RESOLUTION

ADDITIONAL COPIES OF FINAL REPORT AND INDEXES OF SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

Mr. McCLELLAN submitted the following concurrent resolution (S. Con. Res. 90), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (*The House of Representatives concurring*), That there be printed for the use of the Select Committee on Improper Activities in the Labor or Management Field not ea exceed six thousand additional copies of each part of that committee's final report to the Senate, and of each index to that committee's hearings and reports, made pursuant to Senate Resolutions 44 and 249, 86th Congress.

SETTLEMENT OF CLAIMS FILED UNDER SECTION 32(h) OF THE TRADING WITH THE ENEMY ACT, AS AMENDED

Mr. JAVITS. Mr. President, I send to the desk for appropriate reference a bill which is identical with House bill 6462, which has been favorably reported.

The bill which I am introducing seeks to provide a simple, inexpensive and prompt method of settling a large number of claims which have been filed under

section 32(h) of the Trading With the Enemy Act, as amended. The bill is identical with H.R. 6462, which has been favorably reported; it is similar in its intent, although considerably more detailed as to the procedure, to section 12 of S. 672, as amended, and introduced by Senator OLIN JOHNSTON on May 28, 1959. Hearings were held on section 12 of S. 672 as amended on June 18, 1959. Neither in the House nor in the Senate hearings was there any opposition to the bill. The principle of the bill has I understand the support of the administration and of a number of organizations interested in its objectives.

Section 32(h) of the Trading With the Enemy Act was added to the Trading With the Enemy Act in 1952. It provided, upon application, that the President might designate successor organizations which would be empowered to file claims to so-called heirless property vested in the Office of Alien Property. This is property in the United States which belonged to individuals who, while technically enemy nations, were in fact persecuted by the Nazis on religious, racial, or political grounds. Such individuals, or their heirs, have long been able, under the Trading With the Enemy Act, to recover their vested property. The 1952 amendment dealt with the situation in which these individuals and their entire families were exterminated, so that there was no living claimant.

Complications have arisen in the administration of section 32(h). As I remember, when it was originally adopted, it was contemplated that $3 million would be recovered under it, represented by the kind of property described, which would be used for various kinds of relief which were thought to be quite in line with what those very unfortunate people would have wanted had they been able to dispose of their own property.

Section 32(h) provided that the designated successor organization would devote the returned property or its proceeds to the relief of surviving and needy persecutees residing in the United States. It was strongly supported by the administration, was the result of bills introduced on a bipartisan basis, and was enacted by the Congress as a simple act of justice. The U.S. Treasury does not need, nor would it be appropriate for it to be the beenficiary of Nazi acts of slaughter.

The administration of section 32(h) has turned out to be difficult because of the thousands of claims which have been filed and the difficulties arising in a situation in which by definition the original owners and all of their immediate families are dead or missing.

The present bill, therefore, merely enables a bulk settlement to be made of these thousands of claims. It will relieve the Department of Justice of an enormous administrative headache. It will also make it possible for some funds to be made available in the near future to the needy and surviving persecutees who were intended beneficiaries of congressional action in adopting section 32(h).

So far as the amounts involved are concerned, the present bill proposes a bulk settlement in the amount of $500,000. This is an amount which the Office of Alien Property of the Department of Justice has indicated as reasonable. It is very far short of the $3 million maximum authorized to be returned under section 32(h).

I understand that the principle of the bill has the support of the administration and of a number of organizations interested in its objectives.

It is my hope that prompt action can be taken on this bill, particularly since hearings as to the substance of it have already been held.

I hope very much that the bill may receive very early attention in the Senate, and that, in accord with what has been done in the other body, we may, at long last, make this sum available in this tragic situation, as a simple act of justice which would cost the United States nothing, because all the property is vested in the Alien Property Custodian—indeed, very much more than is called for by the sum of $500,000. At the same time, we can relieve the Department of Justice of a great administrative problem.

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). The bill will be received and appropriately referred.

The bill (S. 3056) to amend the Trading With the Enemy Act, as amended, so as to provide for certain payments for the relief and rehabilitation of needy victims of Nazi persecution, and for other purposes, introduced by Mr. JAVITS, was received, twice by its title, and referred to the Committee on the Judiciary.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. KEATING. Is not this the matter upon which my distinguished colleague appeared before the Subcommittee on Trading With the Enemy?

Mr. JAVITS. It is.

Mr. KEATING. I remember the very forceful presentation there with regard to this item. I feel that he made a very persuasive case in that regard, and that this proposal is the very minimum that should be done.

I hope that in any legislation which is reported—and I hope legislation will be promptly reported—provision such as the Senator has suggested will be made.

Mr. JAVITS. I thank my colleague very much.

SALARY OF GOVERNOR OF AMERICAN SAMOA

Mr. LONG of Hawaii. Mr. President, I introduce, for appropriate reference, a bill to amend the salary provision for the Governor of American Samoa. Presently this position receives a maximum annual stipend of $15,150. The incumbent Governor, the Honorable Peter Tali Coleman, does not qualify for the 25-percent salary differential paid to Federal personnel appointed from the mainland United States to positions in American Samoa, since he was appointed as a resident of the territory.

Mr. President, Governor Coleman has been doing a fine job in the years he has held office. The responsibilities he bears in administering our most distant territory clearly indicate that his compensation is inadequate. By way of comparison, the Governors of the Virgin Islands and Guam receive $19,000 per annum. The bill which I am now introducing would increase the salary of the Governor of Samoa to $17,500. It seems to me that any lesser sum would continue an injustice to the Governor of American Samoa and a slight, however unintentional, to the people of that territory.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3057) to amend the Federal Executive Pay Act of 1956 so as to increase the salary of the Governor of American Samoa, introduced by Mr. LONG of Hawaii, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

MUTUAL SECURITY ACT OF 1960

Mr. FULBRIGHT. Mr. President, by request, I introduce, for appropriate reference, the administration's proposed Mutual Security Act of 1960.

The day before yesterday I gave a preliminary opinion of the bill to the press. I ask unanimous consent that this statement to the press be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR J. W. FULBRIGHT IN CONNECTION WITH THE PRESIDENT'S MESSAGE ON THE MUTUAL SECURITY ACT OF 1960

Although I have been asked by the press to comment on the President's message on the propoesd Mutual Security Act of 1960, copies of that message were dellvered to the committee only a short time ago. I have not, therefore, been able to read it. This puts me at a disadvantage. However, last night I was briefed, along with other Members of Congress, by the President and representatives of the Department of State as to the general content of the Mutual Security Act of 1960. Furthermore, I have seen a copy of the draft bill, which I expect to introduce, by request, within the next day or so.

A quick examination of the bill itself indicates that there are several proposals which I will find most difficult to support. In the first place, section 101 of the bill would eliminate from the basic mutual security legislation applicable to military ald a ceiling on the amount of military ald which can be furnished to Latin America which was inserted by the Committee on Foreign Relations last year. The committee had many misgivings about the level of military aid in Latin America and inserted a provision that no more could be obligated for that purpose in the fiscal year 1960 than was obligated for military ald during the fiscal year 1959. I have not, of course, seen the President's detalled program for military ald to Latin America but if it is proposed to increase the amount of military aid for the fiscal year 1961 beyond that obligated for the fiscal year 1959, I would oppose such an increase.

In the second place, the administration's bill proposes to elminate a new section 412 of the Mutual Security Act of 1954 which attempted to earmark mutual security program funds for special education and training purposes in underdeveloped areas. It is true that the appropriation act in effect can-

celed out that provision by denying funds for the purpose. If the administration has raised its programing priorities for education and training and has programed money elsewhere for the purpose, then I can understand deleting section 412. If it has not programed more money elsewhere for education and training purposes then I shall oppose the repeal of section 412.

I can make a similar comment with respect to the proposal in the administration's bill to delete section 504(d) of the Mutual Security Act of 1954 which relates to the furnishing of small machine tools and other industrial equipment to underdeveloped countries. I realize that there is also authority in the act for doing this and strictly speaking section 504(d) is not necessary. The committee's proposal last year was to emphasize the usefulness of this kind of program. If the administration has given a higher priority to this program elsewhere in the bill then, of course, I would have less objection to the repeal of section 504(d).

I welcome the presence in the administration bill of a new section on the Indus Basin development. The administration and the International Bank for Reconstruction and Development, together with India, Pakistan, and other nations which participated are to be congratulated on the progress which has been made toward settling a problem which has long stood in the way of economic growth and political stability in south Asia.

I anticipated that the committee will begin hearings on this bill on March 4. Hearings this year should be somewhat shortened because military assistance has been authorized for 2 years, and I do not anticipate that the committee will go deeply into the military aspects of the program this year. We will be interested in seeing what the administration did to comply with the new requirement put in last year that military programs "shall be budgeted so as to come into competition for financial support with other programs and activities of the Department of Defense."

The absence of a military authorization and a Development Loan Fund authorization means that the total amount included in the bill which is to be considered by the committee this year is only $1,454,900,000, compared to $3,909 million last year.

It is normal at this time of year for us to hear from various quarters that the foreign aid bill is in trouble. This year will be no exception. I recognize the difficulty of enacting a forward-looking mutual security bill in an election year—a bill which would make it possible for the administration to make firm plans for the future and thus enable the United States to promote its foreign policy. It is most unfortunate at this particular moment when the Russians are taking the initiative not only in space and military weapons, but in the export of aid to underdeveloped areas, that we find ourselves hampered by an inability to respond with a carefully thought out and firm program extended beyond 1 year. Indeed, the administration is not even asking an appropriation for the Development Loan Fund as large as the amount authorized.

The American people ought to know what they are doing. By constantly attacking these aid programs, emphasizing their negative aspects instead of their positive aspects, and whittling away at the morale of able Americans serving overseas, we are downgrading our aid programs and letting the Russians move in. It's that simple—and I only hope that the administration will spare no effort in getting this story over to the American people.

Mr. FULBRIGHT. Mr. President, I also ask unanimous consent that the administration's bill and its section-by-section analysis also be printed at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and section-by-section analysis will be printed in the RECORD.

The bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Security Act of 1960".

CHAPTER I—MILITARY ASSISTANCE

Military assistance

SEC. 101. Section 105(b)(4) of the Mutual Security Act of 1954, as amended, which relates to conditions applicable to military assistance, is amended by striking out the last sentence.

CHAPTER II—ECONOMIC ASSISTANCE

Defense support

SEC. 201. Title I of chapter II of the Mutual Security Act of 1954, as amended, which relates to defense support, is amended as follows:

(a) In section 131(b), which relates to general authority, strike out "1960" and "$751,000,000" and substitute "1961" and "$724,000,000", respectively.

(b) In section 141, which relates to conditions of eligibility for assistance, strike out "No such assistance" in the second sentence and substitute "No defense support or military equipment and material".

(c) In section 142(a), which relates to agreements, strike out "No assistance" in the introductory clause and substitute "No defense support or military equipment and materials".

Development Loan Fund

SEC. 202. Section 205(a) of the Mutual Security Act of 1954, as amended, which relates to management, powers, and authorities, is amended by striking out "Under Secretary of State for Economic Affairs" in the first sentence and substituting "Secretary of State".

Technical cooperation

SEC. 203. Title III of chapter II of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is amended as follows:

(a) In section 304, which relates to authorization, strike out "$179,500,000" and "1960" and substitute "$172,000,000" and "1961", respectively.

(b) Amend section 306, which relates to multilateral technical cooperation and related programs, as follows:

(1) In subsection (a), which relates to contributions to the United Nations Expanded Program of Technical Assistance and related fund, strike out "$30,000,000" and "1960" and substitute "$33,000,000" and "1961", respectively.

(2) In subsection (b), which relates to contributions to the technical cooperation program of the Organization of American States, strike out "1960" and substitute "1961".

Special assistance and other programs

SEC. 204. Title IV of chapter II of the Mutual Security Act of 1954, as amended, which relates to special assistance and other programs, is amended as follows:

(a) In section 400(a), which relates to special assistance, strike out "1960" and "$247,500,000" and substitute "1961" and "$268,500,000", respectively.

(b) In section 401, which relates to the United Nations Emergency Force, strike out "1960" in the second sentence and substitute "1961".

(c) In section 402, which relates to earmarking of funds, strike out "1960" in the first sentence and substitute "1961".

(d) In section 403, which relates to responsibilities in Germany, strike out "1960" and "$7,500,000" in the first sentence and substitute "1961" and "$6,750,000", respectively.

(e) Insert after section 403 the following new section 404:

"SEC. 404. INDUS BASIN DEVELOPMENT.—The Congress of the United States welcomes the progress made through the good offices of the International Bank for Reconstruction and Development toward the development of the Indus Basin through a program of cooperation among south Asian and other nations of the free world in order to promote economic growth and political stability in south Asia, and affirms the willingness of the United States, pursuant to authorities contained in this and other Acts, to participate in this significant undertaking. In the event that funds appropriated pursuant to this Act are made available to be used by or under the supervision of the International Bank for Reconstruction and Development in furtherance of the foregoing purposes, such funds may be used in accordance with requirements, standards, or procedures established by the Bank concerning completion of plans and cost estimates and determination of feasibility, rather than with requirements, standards, or procedures concerning such matters set forth in this or other Acts; and such funds may also be used without regard to the provisions of section 901(b) of the Merchant Marine Act of 1936, as amended (46 U.S.C. 1241), whenever the President determines that such provisions cannot be fully satisfied without seriously impeding or preventing accomplishment of such purposes.".

(f) Amend section 405, which relates to migrants, refugees, and escapees, as follows:

(1) In subsection (c), which relates to contributions to the program of the United Nations High Commissioner for Refugees, strike out "1960" and "$1,100,000" and substitute "1961" and "$1,500,000", respectively.

(2) In subsection (d), which relates to the continuation of activities undertaken for selected escapees, strike out "1960" and "$5,200,000" and substitute "1961" and "$3,500,000", respectively.

(g) In section 406, which relates to children's welfare, strike out "1960" and substitute "1961".

(h) In section 407, which relates to Palestine refugees in the Near East, strike out "1960" and "$25,000,000" in the first sentence and substitute "1961" and "$18,500,000", respectively; and strike out the proviso in the first sentence.

(i) In section 409(c), which relates to ocean freight charges, strike out "1960" and "$2,300,000" and substitute "1961" and "$2,000,000", respectively.

(j) Amend section 411, which relates to administrative and other expenses, as follows:

(1) In subsection (b), which relates to certain expenses of administering nonmilitary assistance, strike out "1960" and "$39,500,000" and substitute "1961" and "$40,000,000", respectively.

(2) In subsection (c), which relates to administrative and other expenses of the Department of State, strike out "to" after "appropriated" and substitute "for expenses of".

(k) Section 412, which relates to the President's special education and training fund, is repealed.

(l) In section 419(a), which relates to atoms for peace, strike out "1960" and

"$6,500,000" and substitute "1961" and "$3,400,000", respectively.

CHAPTER III—CONTINGENCY FUND

SEC. 301. Section 451(b) of the Mutual Security Act of 1954, as amended, which relates to the President's special authority and contingency fund, is amended by striking out "1960" and "$155,000,000" in the first sentence and substituting "1961" and "$175,000,000", respectively.

CHAPTER IV—GENERAL AND ADMINISTRATIVE PROVISIONS

SEC. 401. Chapter IV of the Mutual Security Act of 1954, as amended, which relates to general and administrative provisions, is amended as follows:

(a) Section 504(d), which relates to small machine tools and other industrial equipment, is repealed.

(b) In section 505(a), which relates to loan assistance and sales, insert after the first sentence the following new sentence: "Commodities, equipment, and materials transferred to the United States as repayment may be used for assistance authorized by this Act, other than title II of chapter II, in accordance with the provisions of this Act applicable to the furnishing of such assistance.".

(c) In section 513, which relates to notice to legislative committees, insert before ", and copies" in the last sentence the following: "and under the last clause of the second sentence of section 404".

(d) Amend section 527, which relates to employment of personnel, as follows:

(1) In subsection (b), which relates to employment of personnel in the United States, strike out "seventy" and "forty-five" in the first sentence and substitute "seventy-eight" and "fifty-three", respectively.

(2) In subsection (c), which relates to employment of personnel outside the United States, strike out "Director" in the introductory clause and substitute "President"; and insert before the period at the end of paragraph (2) the following new proviso: ": *Provided further,* That Foreign Service Reserve Officers appointed or assigned pursuant to this paragraph shall receive in-class promotions in accordance with such regulations as the President may prescribe".

(3) In subsection (d), which relates to appointment of alien employees outside the United States, strike out ", at the request of the Director,".

(e) Section 531, which relates to security clearance, is repealed.

(f) In section 534(a), which relates to reports, strike out "six months" in the first sentence and substitute "fiscal year."

(g) In section 537(a), which relates to provisions on uses of funds, amend paragraph (3) to read as follows: "(3) contracting with individuals for personal services abroad: *Provided,* That such individuals shall not be regarded as employees of the United States for the purpose of any law administered by the Civil Service Commission;".

(h) In section 537(c), which relates to construction or acquisition of facilities abroad, strike out "$2,750,000" and substitute "$4,250,000."

CHAPTER V—TECHNICAL AMENDMENTS REFLECTING NEW LIMITS OF UNITED STATES

SEC. 501. The Mutual Security Act of 1954, as amended, is amended as follows:

(a) In section 205(c), strike out "continental" in the twelfth clause of the first sentence.

(b) In section 411(d), strike out "the continental limits of".

(c) In section 527(c), strike out "the continental limits of" in the introductory clause.

(d) In section 527(d), strike out "the continental limits of".

(e) In section 530(a), strike out "the continental limits of".

(f) In section 537(a), strike out "continental" in the last proviso of paragraph (5) and in paragraphs (13) and (17); and strike out "the continental limits of" in paragraph (10).

CHAPTER VI—AMENDMENTS TO OTHER LAWS

SEC. 601. Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1721 et seq.), which relates to famine relief and other assistance, is amended as follows:

(a) In section 202, strike out "The" at the beginning thereof and substitute the following: "In order to facilitate the utilization of surplus agricultural commodities in meeting the requirements of needy peoples, and in order to promote economic development in underdeveloped areas in addition to that which can be accomplished under title I of this Act, the".

(b) In section 203, insert before the period at the end of the third sentence the following: ", and charges for general average contributions arising out of the ocean transport of commodities transferred pursuant hereto may be paid from such funds".

SEC. 602. Section 501(b) of the Mutual Security Act of 1959 (73 Stat. 256), which relates to international cooperation in health, is repealed.

SEC. 603. Section 2 of Public Law 174, Seventy-ninth Congress, as amended (22 U.S.C. 279a), which relates to United States membership in the United Nations Food and Agriculture Organization, is amended by inserting "such" before "sums" and striking out "not exceeding $3,000,000".

SEC. 604. Section 3(a) of Public Law 403, Eighteenth Congress, as amended (22 U.S.C. 280b), which relates to United States membership in the South Pacific Commission, is amended by striking out "Not more than $75,000 annually" and substituting "Such sums annually as may be required".

The section-by-section analysis presented by Mr. FULBRIGHT is as follows:

SECTION-BY-SECTION ANALYSIS OF THE PROPOSED MUTUAL SECURITY ACT OF 1960 AS SUBMITTED BY THE EXECUTIVE BRANCH

I. INTRODUCTION

1. Purposes of the bill

The proposed Mutual Security Act of 1960 ("the bill") has two main purposes. First, it authorizes new appropriations for various categories of aid, including defense support, technical cooperation, special assistance and other programs, and the contingency fund. Second, it effects certain substantive amendments in the Mutual Security Act of 1954 as heretofore amended ("the act") which will promote more effective and efficient operation of the mutual security program.

2. Authorizations

The following table shows the authorizations and appropriations requested by the executive branch:

	Authorization request	Appropriation request
CHAPTER I—MILITARY ASSISTANCE		
Sec. 103(a). General authorization	(1)	$2,000,000,000
CHAPTER II—ECONOMIC ASSISTANCE		
Title I. Defense support: Sec. 131(b)	$724,000,000	724,000,000
Title II. Development Loan Fund: Sec. 203. Capitalization	(2)	700,000,000
Title III. Technical cooperation:		
Sec. 304. General authorization	$172,000,000	$172,000,000
Sec. 306. Multilateral technical cooperation and related programs:		
(a) UNTA	33,000,000	33,000,000
(b) Organization of American States	1,500,000	1,500,000
Total, title III	206,500,000	206,500,000
Title IV. Special assistance and other programs:		
Sec. 400(a). Special assistance	268,500,000	268,500,000
Sec. 405. Migrants, refugees, and escapees:		
(a) Intergovernmental Committee for European Migration	(1)	10,000,000
(c) United Nations High Commissioner for Refugees	1,500,000	1,500,000
(d) Escapee program	3,500,000	3,500,000
Sec. 406. Children's welfare	12,000,000	12,000,000
Sec. 407. Palestine refugees	18,500,000	18,500,000
Sec. 408(a). NATO science program	(1)	1,800,000
Sec. 409(c). Ocean-freight charges on voluntary relief shipments	2,000,000	2,000,000
Sec. 411. Administrative and other expenses:		
(b) Administrative and other expenses (other than ch. 1 and title II of ch. II)	40,000,000	40,000,000
(c) State Department administrative expenses	(1)	8,300,000
Sec. 419(a). Atoms for peace	3,400,000	3,400,000
Total, title IV	349,400,000	369,500,000
Total, chapter II	1,279,900,000	2,000,000,000
CHAPTER III—CONTINGENCY FUND		
Sec. 451(b)	175,000,000	175,000,000
Total, all chapters	1,454,900,000	[2]4,175,000,000

[1] Authorization is now contained in the act.
[2] This total does not include unobligated balances of prior year appropriations requested to be continued available.

In most cases the bill provides for the new authorizations by the technique of striking out the amount and the reference to fiscal year 1960 in the existing authorization and substituting the new amount and a reference to fiscal year 1961. The deletion of the amount and date in existing authorizations does not, of course, have any effect on funds made available pursuant to those authorizations. The act now contains continuing authorizations for appropriations for contributions to the Intergovernmental Committee for European Migration (sec. 405(a) of the act), for payment of U.S. expenses in the North Atlantic Treaty Organization (sec. 408(a) of the act), for certain expenses of the Department of State relating to the mutual security program (sec. 411(c) of the act), and for continuing the availability of unexpended balances of funds made available under the act (sec. 548 of the act). In addition, the act contains authorizations for fiscal year 1961 for military assistance and the Development Loan Fund; thus no new authorizations are needed for these purposes for fiscal year 1961.

II. PROVISIONS OF THE BILL

Chapter I. Military assistance

Conditions Applicable to Military Assistance

Section 101: Amends section 105(b)(4) of the act, which relates to conditions applicable to military assistance, by striking out the last sentence which imposes a ceiling upon obligations and reservations for military assistance to Latin America in fiscal year 1960.

Chapter II. Economic assistance

Defense Support

General authority

Section 201(a): Amends section 131(b) of the act, which relates to general authority, by deleting the obsolete authorization for an appropriation for defense support for use beginning in fiscal year 1960 and substituting an authorization for an appropriation for this purpose for use beginning in fiscal year 1961.

Conditions of eligibility for assistance

Section 201(b): Amends section 141 of the act, which relates to conditions of eligibility for assistance, so as to exclude military assistance training and information from the requirement of the second sentence of section 141 of the act that a nation must agree to the undertakings specified in section 142 (a) of the act in order to be eligible for defense support and military assistance. The new language parallels the amendment made by the Mutual Security Act of 1959 to the additional conditions of eligibility for military assistance to Latin American countries set forth in section 105(b)(4) of the act. As amended, the requirement would continue to apply to defense support and to military equipment and materials.

Agreements

Section 201(c): Amends section 142(a) of the act, which relates to agreements, by revising the introductory clause to correspond with the new language of the second sentence of section 141.

Development Loan Fund

Management, powers and authorities

Section 202: Amends section 205(a) of the act, which relates to management, powers and authorities, by substituting a reference to the Secretary of State for a reference to the Under Secretary of State for Economic Affairs as a member and the Chairman of the Board of Directors of the Development Loan Fund. This is a perfecting amendment made in accordance with the provision of Public Law 86–117 which provides that any provision of law vesting authority in the Under Secretary of State for Economic Affairs is amended to vest such authority in the Secretary of State. The Secretary has designated the Under Secretary of State to serve as Chairman of the DLF Board of Directors.

Technical Cooperation

Authorization

Section 203(a): Amends section 304 of the act, which relates to authorization, by deleting the obsolete authorization for an appropriation for technical cooperation for use beginning in fiscal year 1960 and substituting an authorization for an appropriation for this purpose for use beginning in fiscal year 1961.

Multilateral technical cooperation and related programs

Section 203(b): Amends section 306 of the act, which relates to multilateral technical cooperation and related programs, in two respects:

Paragraph (1) amends subsection (a), which relates to contributions to the United Nations Expanded Program of Technical Aid sistance and related fund, by deleting the obsolete authorization for an appropriation for fiscal year 1960 for contributions under subsection (a) and substituting an authorization for an appropriation to be available for obligation during fiscal year 1961 for contributions under subsection (a) for calendar year 1961.

Paragraph (2) amends subsection (b), which relates to contributions to the technical cooperation program of the Organization of American States, by deleting the obsolete reference to fiscal year 1960 and substituting a reference to fiscal year 1961, so as to provide an authorization for an appropriation of $1.5 million to be available for obligation during fiscal year 1961 for contributions to the program of the Organization of American States for calendar year 1961.

Special Assistance and Other Programs

Special assistance

Section 204(a): Amends section 400(a) of the act, which relates to special assistance, by deleting the obsolete authorization for an appropriation for special assistance for fiscal year 1960 and substituting an authorization for an appropriation for this purpose for fiscal year 1961.

United Nations Emergency Force

Section 204(b): Amends section 401 of the act, which relates to the United Nations Emergency Force, by deleting the obsolete authorization to use during fiscal year 1960 special assistance funds for contributions on a voluntary basis to the budget of the United Nations Emergency Force and substituting an authorization to use during fiscal year 1961 special assistance funds for this purpose. The authority provided under section 401 of the act is in addition to other authority permitting U.S. support of the United Nations Emergency Force, including the making of assessed contributions and the detailing of personnel.

Earmarking of funds

Section 204(c): Amends section 402 of the act, which relates to earmarking of funds for financing the transfer of surplus agricultural commodities, by deleting the obsolete reference to fiscal year 1960 and substituting a reference to fiscal year 1961. The section, as thus amended, will require that not less than $175 million of the funds authorized to be made available in fiscal year 1961 under the act (other than those made available under title II of chapter II, the Development Loan Fund) are to be used for this purpose. This is the same minimum figure that applied in fiscal years 1958, 1959, and 1960.

Responsibilities in Germany

Section 204(d): Amends section 403 of the act, which relates to responsibilities in Germany, by deleting the obsolete authorization to use during fiscal year 1960 special assistance funds in order to meet U.S. responsibilities in Germany and substituting an authorization to use during fiscal year 1961 special assistance funds for this purpose.

Indus Basin development

Section 204(e): Adds in the act a new section 404 which affirms the willingness of the United States, pursuant to authorities contained in the act and other acts, to participate in the cooperative program for development of the Indus Basin. The section specifies that, in the event that funds appropriated pursuant to the act are made available to be used by or under the supervision of the World Bank for the purposes of the section, such funds may be used in accordance with the requirements, standards, or procedures established by the World Bank concerning completion of plans and cost estimates and determination of feasibility, rather than with requirements, standards, or procedures concerning such matters set forth in the act or other acts (e.g., section 517 of the act and section 103 of the Mutual Security Appropriation Act, 1960). It also provides that, where mutual security funds are made available to be used by or under the supervision of the World Bank for purposes of the section, such funds may be used without regard to the provisions of the 50–50 shipping requirement (section 901(b) of the Merchant Marine Act of 1936, as amended), whenever the President determines that such requirement cannot be fully satisfied without seriously impeding or preventing accomplishment of such purposes. Section 401(c) of the bill provides that the appropriate congressional committees shall be notified of any determination with respect to the 50–50 shipping requirement.

Migrants, refugees, and escapees

Section 204(f): Amends section 405 of the act, which relates to migrants, refugees, and escapees, in two respects:

Paragraph (1) amends subsection (c), which relates to contributions to the program of the United Nations High Commissioner for Refugees, by deleting the obsolete authorization for an appropriation for fiscal year 1960 for contributions to the program of the High Commissioner and substituting an authorization for an appropriation to be available for obligation during fiscal year 1961 for contributions to that program for calendar year 1961.

Paragraph (2) amends subsection (d), which relates to the continuation of activities undertaken for selected escapees, by deleting the obsolete authorization for an appropriation for fiscal year 1960 for the escapee program and substituting an authorization for an appropriation for this purpose for fiscal year 1961.

Children's welfare

Section 204(g): Amends section 406 of the act, which relates to children's welfare, by deleting the obsolete authorization for an appropriation for fiscal year 1960 for contributions to the United Nations Children's Fund and substituting an authorization for an appropriation to be available for obligation during fiscal year 1961 for contributions to that fund for calendar year 1961.

Palestine refugees in the Near East

Section 204(h): Amends section 407 of the act, which relates to Palestine refugees in the Near East, by deleting the obsolete authorization for an appropriation for fiscal year 1960 for contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East and substituting an authorization for an appropriation to be available for obligation during fiscal year 1961 for contributions to that agency for fiscal year 1961. In addition, the proviso of section 407 of the act is repealed, so that funds made available under that section may be used for relief and rehabilitation as well as for resettlement and repatriation.

Ocean freight charges

Section 204(i): Amends section 409(c) of the act, which relates to ocean freight charges by deleting the obsolete authorization for an appropriation for fiscal year 1960 to pay ocean freight charges on shipments by U.S. voluntary nonprofit relief agencies and substituting an authorization for an appropriation for the purpose for fiscal year 1961.

Administrative and other expenses

Section 204(j): Amends section 411 of the act, which relates to administrative and other expenses, in two respects:

Paragraph (1) amends subsection (b), which relates to necessary administrative expenses incident to carrying out the provisions of the act (other than chapter I, military assistance, and title II of chapter II, Development Loan Fund) and functions under the Agricultural Trade Development and Assistance Act of 1954, as amended, performed by any agency or officer administering nonmilitary assistance, by deleting the obsolete authorization for an appropriation

for this purpose for fiscal year 1960 and substituting an authorization for an appropriation for this purpose for fiscal year 1961.

Paragraph (2) amends subsection (c), which relates to administrative and other expenses of the Department of State, by authorizing an appropriation to the President for such expenses instead of to the Department of State, in conformity with the other appropriations authorized by the act.

President's Special Education and Training Fund

Section 204(k): Repeals section 412 of the act, which relates to the President's special education and training fund.

Atoms for Peace

Section 204(l): Amends section 419(a) of the act, which relates to atoms for peace, by deleting the obsolete atuhorization for an appropriation for fiscal year 1960 for assistance designed to promote the peaceful uses of atomic energy abroad and substituting an authorization for an appropriation for this purpose for fiscal year 1961.

Chapter III. Contingency fund

President's Special Authority and Contingency Fund

Section 301: Amends section 451(b) of the act, which relates to the President's special authority and contingency fund, by deleting the obsolete authorization for an appropriation for fiscal year 1960 for the contingency fund and substituting an authorization for an appropriation for fiscal year 1961 for such fund.

Chapter IV. General and administrative provisions

Machine Tools and Other Industiral Equipment

Section 401(a): Repeals section 504(d) of the act, which relates to machine tools and other industrial equipment.

Loan Assistance and Sales

Section 401(b): Amends section 505(a) of the act, which relates to loan assistance and sales, by adding a new second sentence designed to clarify the language of the first sentence. The first sentence of section 505(a) of the act now authorizes assistance under the act to be furnished on a barter basis. The new sentence makes it clear that the commodities, equipment, and materials transferred to the United States in such barter transactions may be used for assistance authorized by the act, other than the Development Loan Fund, in accordance with the provisions of the act applicable to the furnishing of such assistance.

Notice to legislative committees

Section 401(c). Amends section 513 of the act, which relates to notice to legislative committees, so as to require that the appropriate congressional committees shall be notified of any determination under the last clause of the second sentence of the new section 404 with respect to the 50–50 shipping requirement (sec. 901(b) of the Merchant Marine Act of 1936, as amended).

Employment of personnel

Section 401(d): Amends section 527 of the act, which relates to employment of personnel, in three respects:

Paragraph (1) amends subsection (b) which relates to employment of personnel in the United States, by increasing (a) the ceiling on the number of personnel employed in the United States on programs authorized by the act who may be compensated without regard to the provisions of the Classification Act of 1949, as amended, and (b) the limitation on the number of such personnel within the above-mentioned ceiling, who may be compensated at rates higher than those provided for grade 15 of the Classification Act general schedule but not in excess of the highest rate provided for grades in such general schedule.

Paragraph (2) amends subsection (c), which relates to employment outside the United States, in two respects. First, it vests the authority of subsection (c) in the President, in conformity with the general structure of the act. Second, it provides that Foreign Service Reserve Officers shall receive in-class promotions in accordance with such regulations as the President may prescribe. This is designed to relieve an existing inequity for Foreign Service Reserve Officers appointed or assigned to perform nonmilitary functions under the act. Under section 625 of the Foreign Service Act these officers, after having been in a given class for 9 months or more, receive an in-class promotion on July 1 of each fiscal year. This means that personnel appointed before October 1 in any given year (i.e., more than 9 months prior to July 1) receive an in-class promotion on the next July 1, while those appointed after October 1 must wait a full year following the next July 1. It is contemplated under the proposed authority that Foreign Service Reserve Officers appointed or assigned pursuant to section 527(c)(2) of the act will receive in-class promotions on the anniversary dates of their appointment or assignment or of their last in-class promotion.

Paragraph (3) amends subsection (d), which relates to appointment of alien employees outside the United States, to authorize the Secretary of State to appoint aliens without the statutory requirement of a request from the Director of the Foreign Operations Administration. By virtue of Executive Order 10610 the functions of the Director of the Foreign Operations Administration were vested in the Secretary of State.

Security clearance

Section 401(e): Repeals section 531 of the act, which relates to security clearance, so that the International Cooperation Administration will, with respect to security clearance standards and procedures, be governed entirely by Executive Order 10450 which applies to all U.S. Government agencies.

Reports

Section 401(f): Amends section 534(a) of the act, which relates to reports, so as to require a report on operations under the act at the end of each fiscal year instead of every 6 months.

Provisions on use of funds

Section 401(g): Amends section 537(a)(3) of the act, which relates to provisions on uses of funds, so as to clarify the basis upon which the International Cooperation Administration contracts with individuals (Americans as well as aliens) to furnish technical advice and assistance to foreign governments subject to administrative and policy supervision and guidance by the ICA Mission. The Civil Service Commission has interpreted the provisions of these contracts relating to ICA supervision and guidance as establishing an employer-employee relationship, which normally may not be established by contract, and has suggested that authority to enter into such contracts be clarified. This authority will also be used, as is the present section 537(a)(3) of the act, to hire aliens by contract for other types of services abroad, such as custodial and housekeeping services.

Construction or acquisition of facilities abroad

Section 401(h): Amends section 537(c) of the act, which relates to construction or acquisition of facilities abroad, to raise the ceiling on the amount of funds made available for assistance in countries other than Korea which may be used for the construction or acquisition of facilities abroad under that section.

Chapter V.—Technical amendments

Reflecting New Limits of United States

Technical amendments

Section 501: Amends the various provisions of the act which refer to the "continental United States" or "continental limits of the United States" so as to make clear the references to the United States include all 50 States.

Chapter VI.—Amendments to other laws

Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480)

Section 601(a): Amends section 202 of title II of Public Law 480, which relates to famine relief and other assistance, to permit the use of surplus agricultural commodities under title II to promote the economic development of underdeveloped areas. One principal purpose of the amendment is to clarify authority under title II to carry out work relief projects on a continuing, rather than on an emergency, basis.

Section 601(b): Amends section 203 of title II of Public Law 480, which relates to famine relief and other assistance, to permit payment from funds available under title II of general average claims arising from shipments of title II commodities to recipient countries. At present, these claims (usually in foreign exchange), which arise against all parties in a sea venture when a portion of a ship or of a ship's cargo is sacrificed to save the remaining cargo or the ship, are left for the recipient country's account, since title II requires delivery of commodities to the recipient f.o.b. U.S. ports with consequent transfer of title before ocean shipment is undertaken. Although general average claims on title II shipments are a rare occurrence, they can be embarrassing to the United States since title II shipments are generally made for humanitarian noncommercial purposes.

Mutual Security Act of 1959

Section 602: Repeals section 501(b) of the Mutual Security Act of 1959, which relates to international cooperation in health.

Public Law 174, 79th Congress, as amended

Section 603: Amends section 2 of Public Law 174, 79th Congress, as amended, which relates to U.S. membership in the United Nations Food and Agriculture Organization, so as to eliminate the ceiling of $3 million on the appropriations authorized by that section for contribution to FAO each year.

Public Law 403, 80th Congress, as amended

Section 604: Amends section 3(a) of Public Law 403, 80th Congress, as amended, which relates to U.S. membership in the South Pacific Commission, so as to eliminate the ceiling of $75,000 on the appropriations authorized by that section for contribution to the Commission each year.

AMENDMENT OF SOCIAL SECURITY ACT TO PROVIDE DISABILITY INSURANCE BENEFITS FOR THE BLIND

Mr. HUMPHREY. Mr. President, on behalf of myself and the senior Senator from New York [Mr. JAVITS], I introduce, for appropriate reference, a bill amending the Social Security Act to provide for full disability insurance benefits for persons who are blind.

The sudden occurrence of blindness is a shocking and devastating experience. It need not, however, be a disastrous one. Loss of sight is merely the loss of a physical sense—but in no other way

H. R. 11510

A BILL

86TH CONGRESS
2D SESSION

H. R. 11510

IN THE HOUSE OF REPRESENTATIVES

APRIL 4, 1960

Mr. MORGAN introduced the following bill; which was referred to the Committee on Foreign Affairs

A BILL

To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Security Act of 1960".

STATEMENT OF POLICY

SEC. 2. Section 2 of the Mutual Security Act of 1954, as amended, which is a statement of policy, is further amended by adding at the end thereof the following:

"(f) It is the sense of the Congress that inasmuch as—

"(1) the United States favors freedom of navigation

in international waterways and economic cooperation between nations; and

"(2) the purposes of this Act are negated and the peace of the world is endangered when nations which receive assistance under this Act wage economic warfare against other nations assisted under this Act, including such procedures as boycotts, blockades, and the restriction of the use of international waterways;

assistance under this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be administered to give effect to these principles, and, in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this Act or arising under the Agricultural Trade Development and Assistance Act of 1954, as amended, these principles shall be applied, as the President may determine, and he shall report on measures taken by the administration to insure their application."

CHAPTER I—MILITARY ASSISTANCE

MILITARY ASSISTANCE

SEC. 101. Section 105(b)(4) of the Mutual Security Act of 1954, as amended, which relates to conditions applicable to military assistance, is amended by striking out "1960" and inserting "1961" and striking out "1959" and inserting "1960".

CHAPTER II—ECONOMIC ASSISTANCE

DEFENSE SUPPORT

SEC. 201. Title I of chapter II of the Mutual Security Act of 1954, as amended, which relates to defense support, is amended as follows:

(a) In section 131 (b), which relates to general authority, strike out "1960" and "$751,000,000" and substitute "1961" and "$675,000,000", respectively.

(b) In section 141, which relates to conditions of eligibility for assistance, strike out "No such assistance" in the second sentence and substitute "No defense support or military equipment and materials".

(c) In section 142 (a), which relates to agreements, strike out "No assistance" in the introductory clause and substitute "No defense support or military equipment and materials".

DEVELOPMENT LOAN FUND

SEC. 202. (a) Section 202 of the Mutual Security Act of 1954, as amended, which relates to general powers of the Development Loan Fund, is amended by adding at the end thereof the following:

"(c) The Fund shall not allocate or commit funds aggregating in excess of $100,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country which is supported by suffi-

cient engineering, financial, or other data to indicate reasonably (A) the manner in which it is proposed to use such funds, (B) the economic and technical soundness of such use, and (C) the practicability of such use, or (2) the President determines it to be in the national interest to use such funds pursuant to multilateral plans."

(b) Section 205(a) of the Mutual Security Act of 1954, as amended, which relates to management, powers and authorities, is amended by striking out "Under Secretary of State for Economic Affairs" in the first sentence and substituting "Secretary of State".

TECHNICAL COOPERATION

SEC. 203. Title III of chapter II of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is amended as follows:

(a) In section 304, which relates to authorization, strike out "$179,500,000" and "1960" and substitute "$172,000,000" and "1961", respectively.

(b) Amend section 306, which relates to multilateral technical cooperation and related programs, as follows:

(1) In subsection (a), which relates to contributions to the United Nations Expanded Program of Technical

Assistance and related fund, strike out "$30,000,000" and "1960" and substitute "$33,000,000" and "1961", respectively.

(2) In subsection (b), which relates to contributions to the technical cooperation program of the Organization of American States, strike out "1960" and substitute "1961".

SPECIAL ASSISTANCE AND OTHER PROGRAMS

SEC. 204. Title IV of chapter II of the Mutual Security Act of 1954, as amended, which relates to special assistance and other programs, is amended as follows:

(a) In section 400(a), which relates to special assistance, strike out "1960" and "$247,500,000" and substitute "1961" and "$256,000,000", respectively, and add at the end thereof the following: "It is the sense of the Congress that so long as it is the policy of the United States not to sell or furnish armaments to any one nation in the Near East, no part of the funds appropriated pursuant to this section should be used for the purchase of armaments by any other nation in the Near East."

(b) In section 401, which relates to the United Nations Emergency Force, strike out "1960" in the second sentence and substitute "1961".

(c) In section 402, which relates to earmarking of funds, strike out "1960" in the first sentence and substitute "1961".

(d) In section 403, which relates to responsibilities in Germany, strike out "1960" and "$7,500,000" in the first sentence and substitute "1961" and "$6,750,000", respectively.

(e) Insert after section 403 the following new section 404:

"SEC. 404. INDUS BASIN DEVELOPMENT.—The Congress of the United States welcomes the progress made through the good offices of the International Bank for Reconstruction and Development toward the development of the Indus Basin through a program of cooperation among South Asian and other nations of the free world in order to promote economic growth and political stability in South Asia, and affirms the willingness of the United States, pursuant to authorities contained in this and other Acts, to participate in this significant undertaking. In the event that funds appropriated pursuant to this Act are made available to be used by or under the supervision of the International Bank for Reconstruction and Development in furtherance of the foregoing purposes, such funds may be used in accordance with requirements, standards, or procedures established by the Bank concerning completion of plans and cost esti-

mates and determination of feasibility, rather than with requirements, standards, or procedures concerning such matters set forth in this or other Acts; and such funds may also be used without regard to the provisions of section 901 (b) of the Merchant Marine Act of 1936, as amended (46 U.S.C. 1241), whenever the President determines that such provisions cannot be fully satisfied without seriously impeding or preventing accomplishment of such purposes.".

(f) Amend section 405, which relates to migrants, refugees, and escapees, as follows:

(1) In subsection (c), which relates to contributions to the program of the United Nations High Commissioner for Refugees, strike out "1960" and "$1,100,000" and substitute "1961" and "$1,500,000", respectively.

(2) In subsection (d), which relates to the continuation of activities undertaken for selected escapees, strike out "1960" and "$5,200,000" and substitute "1961" and "$3,500,000", respectively.

(g) In section 406, which relates to children's welfare, strike out "1960" and substitute "1961".

(h) In section 407, which relates to Palestine refugees in the Near East, strike out "1960" and "$25,000,000" in the first sentence and substitute "1961" and "$18,500,000", respectively; and strike out the proviso in the first sentence.

(i) In section 409 (c), which relates to ocean freight

charges, strike out "1960" and "$2,300,000" and substitute "1961" and "$2,000,000", respectively.

(j) Amend section 411, which relates to administrative and other expenses, as follows:

(1) In subsection (b), which relates to certain expenses of administering nonmilitary assistance, strike out "1960" and "$39,500,000" and substitute "1961" and "$40,000,000", respectively.

(2) In subsection (c), which relates to administrative and other expenses of the Department of State, strike out "to" after "appropriated" and substitute "for expenses of".

(k) Section 412, which relates to the President's special education and training fund, is repealed.

(l) In section 419(a), which relates to atoms for peace, strike out "1960" and "$6,500,000" and substitute "1961" and "$3,400,000", respectively.

(m) Add the following new section after section 420:

"SEC. 421. LOANS TO SMALL FARMERS.—It is the policy of the United States and the purpose of this section to strengthen the economies of underdeveloped nations, and in nations where the economy is essentially rural or based on small villages, to provide assistance designed to improve agricultural methods and techniques, to stimulate and encourage the development of local programs of self-help and mutual cooperation, particularly through loans of foreign

currencies to associations of operators of small farms, formed for the purpose of joint action designed to increase or diversify agricultural productivity. The maximum unpaid balance of loans made to any association under this section may not exceed $25,000 at any one time; and the aggregate unpaid balance of all loans made under this section may not exceed $10,000,000 at any one time."

CHAPTER III—CONTINGENCY FUND

SEC. 301. Section 451 (b) of the Mutual Security Act of 1954, as amended, which relates to the President's special authority and contingency fund, is amended by striking out "1960" and "$155,000,000" in the first sentence and substituting "1961" and "$100,000,000", respectively.

CHAPTER IV—GENERAL AND ADMINISTRATIVE PROVISIONS

SEC. 401. Chapter IV of the Mutual Security Act of 1954, as amended, which relates to general and administrative provisions, is amended as follows:

(a) Section 504 (d), which relates to small machine tools and other industrial equipment, is repealed.

(b) In section 505 (a), which relates to loan assistance and sales, insert after the first sentence the following new sentence: "Commodities, equipment, and materials transferred to the United States as repayment may be used for

assistance authorized by this Act, other than title II of chapter II, in accordance with the provisions of this Act applicable to the furnishing of such assistance.".

(c) In section 513, which relates to notice to legislative committees, insert before ", and copies" in the last sentence the following: "and under the last clause of the second sentence of section 404".

(d) Amend section 517, which relates to completion of plans and cost estimates, as follows:

(1) Insert "(a)" immediately after "SEC. 517. COMPLETION OF PLANS AND COST ESTIMATES.—".

(2) Add the following at the end of such section:

"(b) All nonmiltary flood control, reclamation and other water and related land resource programs or projects proposed for construction under titles I, II, or III (except section 306) of chapter II, under section 400, or under section 451 of this Act, shall be examined by qualified engineers, financed under this Act, in accordance with the general procedures prescribed in circular A–47 of the Bureau of the Budget, dated December 31, 1952, for flood control, reclamation and other water and related land resource programs and projects proposed for construction within the continental limits of the United States of America. In all cases the benefits and costs shall be determined, and a copy of the determination shall be submitted to the Speaker of the House

of Representatives and the Foreign Relations Committee and the Appropriations Committee of the Senate. No such program or project shall be undertaken on which the benefits do not exceed the costs and which does not otherwise meet the standards and criteria used in determining the feasibility of flood control, reclamation, and other water and related land resource programs and projects proposed for construction within the continental limits of the United States of America as per circular A–47 of the Bureau of the Budget, dated December 31, 1952."

(e) Amend section 527, which relates to employment of personnel, as follows:

(1) In subsection (b), which relates to employment of personnel in the United States, strike out "seventy" and "forty-five" in the first sentence and substitute "seventy-four" and "forty-nine", respectively.

(2) In subsection (c), which relates to employment of personnel outside the United States, strike out "Director" in the introductory clause and substitute "President"; and insert before the period at the end of paragraph (2) the following new proviso: ": *Provided further,* That Foreign Service Reserve Officers appointed or assigned pursuant to this paragraph shall receive in-class promotions in accordance with such regulations as the President may prescribe".

(3) In subsection (d), which relates to appointment of alien employees outside the United States, strike out ", at the request of the Director,".

(f) Section 531, which relates to security clearance, is amended to read as follows:

"SEC. 531. SECURITY CLEARANCE.—The standards and procedures set forth in Executive Order Numbered 10450, as amended or supplemented, shall apply to the employment under this Act by any agency administering nonmilitary assistance of any citizen or resident of the United States."

(g) In subsection (c) of section 533A, relating to the Inspector General and Comptroller, strike out paragraph (9) and renumber paragraphs (10) and (11) as paragraphs (9) and (10), respectively.

(h) In section 534(a), which relates to reports, strike out "six months" in the first sentence and substitute "fiscal year".

(i) In section 537(a), which relates to provisions on uses of funds, amend paragraph (3) to read as follows: "(3) contracting with individuals for personal services abroad: *Provided,* That such individuals shall not be regarded as employees of the United States for the purpose of any law administered by the Civil Service Commission;".

(j) In section 537(c), which relates to construction or

acquisition of facilities abroad, strike out "$2,750,000" and substitute "$4,250,000".

(k) Add the following new section immediately after section 551:

"SEC. 552. ASSISTANCE TO CUBA.—No assistance shall be furnished under this Act to Cuba after the date of enactment of the Mutual Security Act of 1960 unless the President determines that such assistance is in the national and hemispheric interest of the United States."

CHAPTER V—TECHNICAL AMENDMENTS REFLECTING NEW LIMITS OF UNITED STATES

SEC. 501. The Mutual Security Act of 1954, as amended, is amended as follows:

(a) In section 205(c), strike out "continental" in the twelfth clause of the first sentence.

(b) In section 411(d), strike out "the continental limits of".

(c) In section 527(c), strike out "the continental limits of" in the introductory clause.

(d) In section 527(d), strike out "the continental limits of".

(e) In section 530(a), strike out "the continental limits of".

(f) In section 537(a), strike out "continental" in the

last proviso of paragraph (5) and in paragraphs (13) and (17); and strike out "the continental limits of" in paragraph (10).

CHAPTER VI—AMENDMENTS TO OTHER LAWS

SEC. 601. Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1721 and the following), which relates to famine relief and other assistance, is amended as follows:

(a) In section 202, strike out "The" at the beginning thereof and substitute the following: "In order to facilitate the utilization of surplus agricultural commodities in meeting the requirements of needy peoples, and in order to promote economic development in underdeveloped areas in addition to that which can be accomplished under title I of this Act, the".

(b) In section 203, insert before the period at the end of the third sentence the following: ", and charges for general average contributions arising out of the ocean transport of commodities transferred pursuant hereto may be paid from such funds".

SEC. 602. Section 501(b) of the Mutual Security Act of 1959 (73 Stat. 256), which relates to international cooperation in health, is repealed.

86TH CONGRESS
2D SESSION

H. R. 11510

A BILL

To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

By Mr. MORGAN

APRIL 4, 1960

Referred to the Committee on Foreign Affairs

H. R. 11510

A BILL

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For Department Staff Only)

Issued April 6, 1960
For actions of April 5, 1960
86th-2d, No. 62

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HIGHLIGHTS: House received conference report on second supplemental appropriation bill. House committee voted to report mutual security authorization bill. Sens. Hickenlooper, Lausche, and Dirksen introduced and Sen. Hickenlooper discussed wheat bill and bill to expand conservation reserve program. Rep. Jones, Ala., introduced and discussed bill to provide minimum support level for 1961 cotton crop.

HOUSE

1. SECOND SUPPLEMENTAL APPROPRIATION BILL, 1960. Received the conference report on this bill H. R. 10743 (H. Rept. 1452). At the end of this Digest is a table showing the action of the conferees on items relating to this Department. The conference report also provides $131,000 for library services to rural areas. pp. 6860-1

2. MUTUAL SECURITY. The Foreign Affairs Committee voted to report, (but did not actually report) H. R. 11510, the mutual security authorization bill. p. D273

3. BUILDINGS. Received from the Chairman of the Public Works Committee a notification of committee approval of a number of public building alteration and repair projects, including USDA buildings in the District of Columbia. p. 6855

4. FLOOD CONTROL. Rep. Smith, Miss., urged the House Appropriations Committee to continue to ignore the administration's policy of "no new starts" in the field of flood control, citing the floods in the upper Mississippi valley as proof of need for these projects. p. 6855

5. TOBACCO. Rep. Bonner cited a Journal of Commerce item regarding a possible reduction in the 30% ad valorem tariff imposed on U. S. tobacco by the European Common Market as "encouraging," and called for a stabilization of ocean freight rates whose recent fluctuations have added an additional "gamble" in the disposal of agricultural commodities, particularly tobacco. p. 6863

6. TRANSPORTATION; SUBSIDIES. Rep. Mack urged opposition to renewal of paying subsidies to large airlines stating that that practice "eliminates any economic penalty for operation of unnecessary routes" and is an "unnecessary burden" on the taxpayer. p. 6864

SENATE

7. FATS AND OILS; CHICORY; TANNING EXTRACTS. The Finance Committee reported the following bills: p. 6779

H. R. 8649, without amendment, to continue for 3 years the suspension of tax on the first domestic processing of coconut oil, palm oil, and palm-kernel oil (S. Rept. 1233).

H. R. 9307, with amendment, to extend the suspension of duty on crude chicory (S. Rept. 1235).

H. R. 9820, without amendment, to extend for three years the period during which tanning extracts, including certain extracts, decoctions, and preparations which are suitable for use for tanning, may be imported free of duty (S. Rept. 1234).

8. WILDERNESS AREAS; FORESTRY. Sen. Kuchel urged the Senate Interior and Insular Affairs Committee to report a bill to create a national wilderness preservation system so that the Senate may "pass it here in time for similar action in the House of Representatives," and inserted several articles and letters supporting enactment of such legislation. pp. 6782-5

9. RURAL ELECTRIFICATION. Sens. Murray and Clark inserted several letters and statements paying tribute to the late Morris L. Cooke, first administrator of the Rural Electrification Administration. pp. 6808-15

ITEMS IN APPENDIX

10. PERSONNEL. Extension of remarks of Rep. Murray stating that automation through the use of electronic data processing equipment and related electronic devices is "one of the most important developments affecting the future of Federal employees," and inserting an article on this subject. pp. A2990-1

Extension of remarks of Rep. Dingell inserting an article discussing conflict of interests cases among Federal employees which have "come to light" due to congressional hearings, including mention of two employees of this Department. pp. A3016-7

11. FARM PROGRAM. Rep. Dague inserted an article, "Benson Defended On Farm Policies." p. A2992

12. MEAT IMPORTS. Rep. Dorn inserted 2 articles, "Cattlemen Fear Imports Will Slash Beef Prices," and "Are You Jumpy These Days? Kangaroo Meat Found In Pennsylvania." pp. A2999-3000, A3013

13. WHEAT. Extension of remarks of Rep. Breeding inserting "Wheatland" a choral symphony written and composed at the suggestion of Kansas wheat producers. pp. A3001-3

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For Department Staff Only)

Issued April 8, 1960
For actions of April 7, 1960
86th-2d, No. 64

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HIGHLIGHTS: Senate agreed to conference report on second supplemental appropriation bill. Senate committee reported bill to expand authority to make additional loans for watershed protection. House committee reported mutual security authorization bill.

HOUSE

1. MUTUAL SECURITY. The Foreign Affairs Committee reported without amendment H. R. 11510, the mutual security authorization bill (H. Rept. 1464). p. 7003

2. JUDICIAL REVIEW. The Judiciary Committee reported with amendment H. R. 7847, to make the uniform law relating to the record on review of agency orders applicable to the judicial review of orders issued under the Federal Aviation Act of 1958 and the Food Additives Amendment of 1958 (H. Rept. 1462). p. 7003

3. APPROPRIATIONS. Agreed to allow the Appropriations Committee until midnight, Friday, April 8, to file a report on the State, Justice, and Judiciary appropriation bill for 1961. p. 6963

4. WATER COMPACT. The Irrigation and Reclamation Subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee H. R. 10513, granting the consent of Congress to Kansas and Nebraska to negotiate and enter into a compact relating to the apportionment of the waters of the Big Blue River and its tributaries as they affect such States. p. D285

5. PERSONNEL. A subcommittee of the Judiciary Committee voted to report unfavorably to the full committee H. R. 10135 and H. R. 10188, to include certain officers and employees of the Department of Labor within the provisions of section 111 and 1114 of title 18 of the U. S. Code relating to assaults and homicides. p. D285

6. POSTAL SERVICE; CERTIFIED MAIL. The Post Office and Civil Service Committee voted to report (but did not actually report) H. R. 10996, to authorize the use of certified mail for the transmission or service of matter required by certain Federal laws to be transmitted or served by registered mail. p. D286

7. WATERSHED. The Agriculture Committee approved a watershed project for White Clay Brewery and Whiskey Creek, Kans. p. D285

8. LAMB IMPORTS. The "Daily Digest" states that the Agriculture Committee "adopted a resolution expressing the committee's sense on lamb imports." p. D285

9. FOREIGN AID. Rep. Whitener inserted an article in support of President Lleras' request for additional foreign aid. p. 6992

10. TRANSPORTATION. Rep. Osmers urged support of his bill, H. R. 3983, to repeal the 10% excise tax on domestic transportation. pp. 6994-5

11. MINIMUM WAGE. Rep. Roosevelt urged support of the proposed $1.25 hour minimum wage law, arguing that chain stores' profit picture shows that they can afford to pay the additional cost. pp. 6995-6

12. FOREIGN TRADE. Rep. Bailey inserted an article which "throws up some alarming facts about the fast-developing competition from abroad" and urged support of resolutions which would express "the sense of Congress that we should grant no further tariff deductions." pp. 6996-7001

13. LEGISLATIVE PROGRAM. Rep. McCormack stated that the State, Justice, Judiciary appropriation bill for 1961 will be considered on Tues., Apr. 15. p. 6963

14. ADJOURNED until Mon., Apr. 14. p. 7003

SENATE

15. SECOND SUPPLEMENTAL APPROPRIATION BILL, 1960. Agreed to the conference report on this bill, H. R. 10743, and acted on amendments in disagreement. (pp. 7078-84) This bill will now be sent to the President. See Digest 62 for items of interest to this Department.

16. WATERSHED PROJECTS. The Agriculture and Forestry Committee reported with amendments H. R. 4781, to make the provisions of the Watershed Protection and Flood Prevention Act applicable to the 11 major watershed projects included in the watershed improvement programs authorized by the Flood Control Act of 1944 (S. Rept. 1238). p. 7013

17. RECLAMATION. The Interior and Insular Affairs Committee reported with amendments S. 1092, to provide for the construction of the Cheny division, Wichita Federal reclamation project, Kan. (S. Rept. 1239). p. 7013

18. SPECIAL MILK PROGRAM. Senate conferees were appointed on H. R. 9331, the special milk bill. (p. 7016) House conferees have already been appointed.

19. LAMB IMPORTS. Sen. McGee inserted the statement of Sen. Moss before the U. S. Tariff Commission, Mar. 22, 1960, urging stricter control on the imports of lamb and mutton, and stating that "it does not make sense for this country to attempt to maintain a strong sheep industry as a strategic defense weapon through the wool act, and at the same time invite its ruin in the form of imports of sheep, lamb, and mutton." pp. 7028-9

Union Calendar No. 632

86th Congress, 2d Session - - - - - House Report No. 1464

MUTUAL SECURITY ACT OF 1960

REPORT

OF THE

COMMITTEE ON FOREIGN AFFAIRS

ON

H.R. 11510

TO AMEND FURTHER THE MUTUAL SECURITY ACT OF 1954, AS AMENDED, AND FOR OTHER PURPOSES

APRIL 7, 1960.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Union Calendar No. 632

86TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 1464

MUTUAL SECURITY ACT OF 1960

APRIL 7, 1960.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MORGAN, from the Committee on Foreign Affairs, submitted the following

REPORT

[To accompany H.R. 11510]

The Committee on Foreign Affairs, to whom was referred the bill (H.R. 11510) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

Fiscal analysis of mutual security program for fiscal year 1961

[In thousands of dollars]

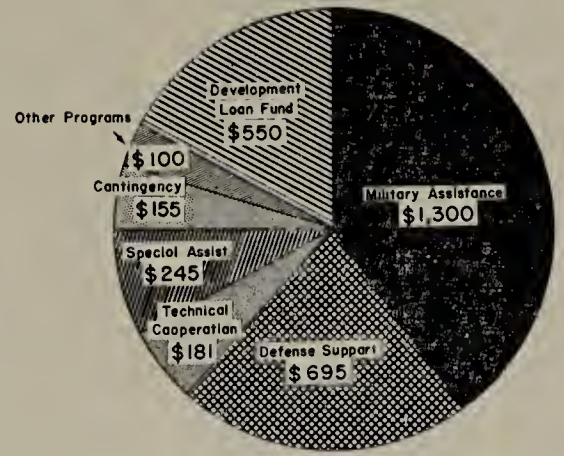
Program	Appropriations for fiscal year 1960, Public Law 86-383 (1)	Administration appropriation request for fiscal year 1961 (2)	Administration authorization request for fiscal year 1961 (3)	Committee recommendation for fiscal year 1961 (4)	Decrease (−) or increase (+), col. 3 less col. 4 (5)
Chapter:					
I. Military assistance:					
Sec. 103(a): General authorization	$1,300,000	$2,000,000	[1]	[1]	
II. Economic assistance:					
Title I—Defense support: Sec. 131(b)	[2] 695,000	724,000	$724,000	$675,000	−$49,000
Title II—Development Loan Fund: Sec. 203: Capitalization	[3] 550,000	700,000	[1]	[1]	
Title III—Technical cooperation:					
Sec. 304: General authorization	150,000	172,000	172,000	172,000	
Sec. 306: Multilateral technical cooperation and related programs:					
(a) U.N. technical assistance	30,000	33,000	33,000	33,000	
(b) Organization of American States	1,200	1,500	1,500	1,500	
Total, title III	181,200	206,500	206,500	206,500	
Title IV—Special assistance and other programs:					
Sec. 400(a): Special assistance	245,000	268,500	268,500	256,000	−12,500
Sec. 405: Migrants, refugees, and escapees:					
(a) Intergovernmental Committee for European Migration	7,371	10,000	[1]	[1]	
(c) U.N. High Commissioner for Refugees	1,100	1,500	1,500	1,500	
(d) Escapee program	4,632	3,500	3,500	3,500	
Sec. 406: Children's welfare	12,000	12,000	12,000	12,000	
Sec. 407: Palestine refugees	25,000	18,500	18,500	18,500	
Sec. 408(a): NATO science program		1,800	[1]	[1]	
Sec. 409(c): Ocean freight charges on voluntary relief shipments	1,910	2,000	2,000	2,000	
Sec. 410: Control Act expenses					
Sec. 411: Administrative and other expenses:					
(b) Administrative and other expenses (other than ch. I and title II of ch. II)	38,000	40,000	40,000	40,000	
(c) State Department administrative expenses	8,100	8,300	[1]	[1]	
Sec. 419(a): Atoms for peace	1,500	3,400	3,400	3,400	
Total, title IV	344,613	369,500	349,400	336,900	−12,500
Total, ch. II	1,770,813	2,000,000	1,279,900	1,218,400	−61,500
III. Contingency fund: Sec. 451(b)	155,000	175,000	175,000	100,000	−75,000
IV. Sec. 504: Small business					
V. Sec. 501(b) of MSA of 1959: International Cooperation in Health			[5]	[5]	
VII. Sec. 704 of MSA of 1959: NATO parliamentarians					
Sec. 705 of MSA of 1959: World Refugee Year					
Total	[4] 3,225,813	[6] 4,175,000	1,454,900	1,318,400	−136,500

[1] Authorization contained in the Mutual Security Act.
[2] Not less than $45,000,000 shall be available for Spain.
[3] Not to exceed $1,820,000 to be available for administrative expenses.
[4] In addition, the appropriation act contained sums for departments and activities other than the mutual security legislation. These are not included.
[5] Repealed by sec. 602.
[6] This total does not include unobligated balances of prior year appropriations requested to be continued available.

SUMMARY OF MUTUAL SECURITY APPROPRIATIONS

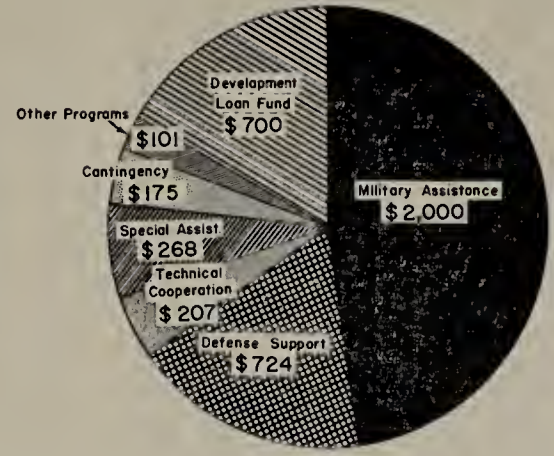
($ Millions)

FY 1960 APPROPRIATION



Total ... $3,226* Million

FY 1961 APPROPRIATION REQUEST



Total ... $4,175 Million

* In addition, the following prior year unobligated balances are available for FY 1960: Military, $52.1 million; Economic (Excl. DLF), $27.5 million; and Contingency, $0.5 million.

Based upon executive branch appropriation request

MUTUAL SECURITY ACT OF 1960

INTRODUCTION

This bill authorizes $1,318,400,000 for carrying forward certain portions of the mutual security program. In addition to the parts of the program included in this authorization the Executive is requesting total appropriations of $2,720,100,000 against authorizations already in effect, of which $2 billion is for military assistance and $700 million is for the Development Loan Fund.

The authorization is $136,500,000 less than the amount requested by the Executive and $41,942,000 less than the amounts appropriated for these same items last year.

The bill contains a number of amendments to the basic legislation intended to tighten the administration of the program as well as provisions giving additional guidance to, or imposing new limitations on, the Executive with respect to future operations.

A table showing the authorizations and the reductions is shown on page 2.

NECESSITY FOR PROGRAM RECOGNIZED

In evaluating the request for the authorization of additional funds for economic assistance and in reviewing the military assistance program, the committee has given primary consideration to the administration of the mutual security program. Most of the American people and the majority of the Congress recognize the soundness of the concept of assisting the military forces of nations determined to resist aggression and of providing economic aid to countries when their present status or future development are of importance to the United States.

Although one result of increasing emphasis on review and evaluation of the program has been the disclosure of a number of instances of waste in particular projects or operations, there was also developed encouraging evidence that, in spite of its operating deficiencies in a number of areas, the mutual security program is attaining its basic objectives.

Certain of the newer nations which in an effort to follow a neutralist policy had previously refused or played down United States assistance as being inconsistent with the policy of placating the Union of Soviet Socialist Republics have now come to value our friendship and counsel as highly as our material assistance. They now have a better understanding of American policy. They recognize the United States has no objective except to assist them in maintaining their own independence and improving their living conditions. There have been several incidents which have shown that the attitude of the people of several of the nations of Asia toward the Soviet Union and Communist China has changed. The vociferous and occasionally spectacular claims of Communist propaganda have been too often more than offset by the flagrant aggressiveness and disregard of human welfare that have characterized Communist performance.

The obstacles confronting United States foreign policy have not been removed nor have final solutions been found for our problems. Nevertheless, there are indications that the governments and people of many of the less developed nations have come to recognize that the respect which we have demonstrated for their sovereignty and the priority we have given to the fundamental and the long range justify their trust.

There are those, however, who, while accepting the validity of the concept of foreign aid, have misgivings as to the ability of the United States to administer effectively a program of the magnitude and complexity of current mutual security operations. The committee has given a high priority to following up reports of waste and inefficiency in carrying out the program and has initiated legislation to correct some of the major deficiencies.

ADMINISTRATION OF THE PROGRAM

The Committee on Foreign Affairs has expanded its firsthand observation of mutual security abroad. In addition to organized study missions which have been reported in detail to the Congress (H. Rept. 1226: "Part I—Report of the Special Study Mission to Europe"; "Part II—A Study of European Economic Regionalism—A New Era in Free World Economic Politics," and H. Rept. 1386: "Report of the Special Study Mission to Asia, Western Pacific, Middle East, Southern Europe and North Africa"), the Subcommittee for Review of the Mutual Security Programs has continued its work. It sent a staff survey team, consisting of three technicians (one borrowed from the General Accounting Office with extensive experience in evaluating military supply operations) to three Asian countries. The survey team spent periods of 2 to 3 weeks in each country and was able to observe the day-to-day operations in the field as well as at headquarters.

These field observations, as well as the analysis of the program during the hearings, have led to the cuts in the authorizations for various parts of the program summarized above. There is evidence that the administrators of the mutual security program have in the past overestimated the capacity of the less developed countries to absorb and digest our assistance and that projects have been initiated for which the United States was not ready to provide adequate guidance and supervision.

Nevertheless, the committee is convinced that the national security and our future peace and well-being depend on improving the means by which a large and complex program can be made to function rather than to curtail drastically the magnitude or scope of the program. No technique has been devised by which only the funds likely to be wasted could be cut from the program in advance.

There is impressive evidence that the responsible officials have been and are willing to revise procedures when basic defects have been pointed out to them, as well as to correct specific shortcomings observed by the committee. As pointed out below, certain major procedural changes are only beginning to take effect. The administration of the mutual security program is improving, and there is every indication that improvement will continue.

Close, continuous, critical, and independent supervision and review are of vital importance, however. A large proportion of mutual security assistance, both military and economic, goes to the less developed countries, the governments of which lack experience and administrative skills, where modern machinery and modern accounting procedures are strange, where traditions and sometimes ethical standards are different from ours. A limited number of Americans in each country, living under unfavorable conditions, are confronted daily with new and complex problems. Counsel and direction is provided almost entirely by messages from officials in Washington who frequently may not have all the facts available in the field and often are concerned with a multitude of problems.

The Congress must reconcile itself to the fact that occasional mistakes will continue to be made and some money will be misspent. The committee intends, however, not only by pressing for continued improvement in procedures and organization, but also by its own observation, analysis, and review of all phases of the operations of the program, to emphasize the necessity for improvement in administration.

Effectiveness of section 517 being demonstrated

In the Mutual Security Act of 1958, the committee provided that in the future funds could not be obligated (and consequently carried forward into succeeding fiscal years) until financial and engineering plans, as well as cost estimates for the projects to be financed, had been completed and necessary legislation on the part of the recipient country could be anticipated within a year. The implementation of section 517 was followed up in March and April 1959 by a survey conducted in the Far East for the Committee on Foreign Affairs by General Accounting Office personnel to determine the effectiveness of compliance.

The result has been a substantial improvement in International Cooperation Administration practice and procedures. An example is the announcement last July that the United States would finance in Burma a major highway and dormitory-classroom facilities for the University of Rangoon. The United States indicated that it was prepared to make available $30 million over a 4-year period to finance these projects. It is significant, however, that only $1 million was obligated at that time to finance engineering and feasibility studies of these projects. No further funds have yet been obligated. Before the enactment of section 517, it was normal ICA practice to have obligated the entire $30 million at the time the project was agreed upon by the Government of Burma.

Even though the committee has found a few cases where funds obligated before fiscal 1959 are still carried on the books for projects which appear to be bogged down, the present ICA regulations require that the plans and estimates necessary to meet the conditions established by section 517 must be completed before funds are obligated, and it appears that current procedures are adequate to meet the problem.

Administrative improvements

Although the basic objectives and general structure of the mutual security program have not changed in recent years, a detailed review of mutual security operations shows that there have been a series of adjustments and improvements which corrected a number of the administrative deficiencies and have enhanced the effectiveness of the

program. Many of these innovations are the direct result of studies and recommendations of the Committee on Foreign Affairs.

The tabulation summarizes a number of such improvements:

RESPONSIVENESS OF ECONOMIC PROGRAM OVER PAST 12 MONTHS TO CRITICISM AND OBSERVATIONS OF COMMITTEE ON FOREIGN AFFAIRS

ISSUE	RESPONSE
1. *Other developed nations' contributions to underdeveloped areas.*—Need and opportunity for increased contributions by growing economies of other developed nations (comment by Foreign Affairs Committee (HFAC) members during hearings last year; new sec. 413(d)).	1. (*a*) International Development Association. (*b*) Establishment of development assistance group of developed nations (OEEC). (*c*) Consultations on increased aid to India and Pakistan by other nations. (*d*) Joint Indus contribution.
2. *Tropical Africa.*—Need for special attention to problems of tropical Africa, including "Balkanization" problem (comment by HFAC members).	2. (*a*) Special program for tropical Africa. (*b*) Increased Technical Cooperation.
3. *Latin America.*—Need for increased economic assistance to, and partnership with, Latin America for development (comment by HFAC members).	3. Inter-American Development Bank.
4. *Accelerating development.*— (*a*) Need for accelerated development progress in those countries demonstrating will and capacity for maximum self-help. Need to maximize use of development assistance where it can be most effectively utilized (HFAC report). (*b*) Need for significant economic development progress and examples to offset Communist China progress (comment by HFAC members).	4. (*a*) Increased concentration of development assistance in self-help countries such as India, Taiwan, Pakistan. (*b*) Increased contributions by other developed nations for development assistance.
5. *Regional cooperation—underdeveloped nations.*— (*a*) Need to greatly reduce tensions between two major free world countries—India and Pakistan (comment by HFAC members). (*b*) Need for encouragement of increased regional cooperation (comment by HFAC members; new sec. 2(e)).	5. (*a*) Indus Basin project. (*b*) Indus Basin project, Inter-American Development Bank, program for tropical Africa.
6. *Limited capacity to utilize aid.*—HFAC report: "The authorization for defense support (and	6. (*a*) Fiscal year 1961 defense support and special assistance total request, including new Africa

for special assistance) was reduced primarily because, in the judgment of the committee, the capacity of certain of the less developed nations to make effective use of economic aid is limited." Too many large projects.

7. HFAC subcommittee report of February 15, 1959: Finding on *premature obligation* of funds.

8. HFAC staff report of May 14, 1959: Finding of *large unsubobligated amounts* in selected projects.

9. HFAC subcommittee report of February 15, 1959: Finding on *lack of adequate local commercial interest on entrepreneurial-type projects.*

10. HFAC subcommittee report of February 15, 1959: *Finding on ICA organization* (program personnel motivated by desire to speed development while technical personnel "primarily concerned with avoiding errors").

11. HFAC report: "A review of the material initially presented in support of the request for 1960 mutual security funds by the GAO * * * has indicated that *a more detailed presentation* * * * would be helpful to the Congress."

12. HFAC report: "It would be helpful to the membership and the public if a greater part of the material were *declassified.*" Executive privilege issue re evaluation reports.

13. HFAC report: Need for better inspection, "*watch dog*" and evaluation procedures.

program, is less than the amount the committee believed "absorbable" last year.

(*b*) Major (over $1 million) projected defense support and special assistance projects reduced from 64 in fiscal year 1959 to 31 for fiscal year 1961.

7. ICA revised procedures to require, as general rule, full readiness for implementation before obligation incurred.

8. For projects reviewed, proportion of unsubobligated funds to total reduced from 54 to 23 percent as of December 31, 1959.

9. ICA Office of Private Enterprise established and functioning to develop local entrepreneurial interest and action. Increased DLF emphasis on this aspect is shown in gaining private participation in Turkish steel mill project. Taiwan expanded program places primary emphasis on expansion of private sector.

10. ICA reorganization to place program and technical personnel under single leadership with effective staff assistance.

11. Supplementary materials, which the GAO acknowledged as responsive to the need, were presented during the hearings in 1959. Comparable material is included in the initial presentation this year.

12. (*a*) Current year figures declassified earlier than ever before.

(*b*) Greater proportion of material unclassified.

(*c*) Special unclassified volume on Technical Cooperation prepared.

(*d*) Selected project volume unclassified.

(*e*) Release of excerpted evaluation reports.

13. Inspector General and Comptroller established pursuant to amendment.

14. Growing belief that there should be a broad *"stock-taking" of Technical Cooperation* after 10 years of worldwide operation in order to further increase its general effectiveness.	14. Technical Cooperation study established.
15. Desirability of minimizing adverse effect, if any, on *balance of payments* of MSP economic assistance (HFAC report).	15. (*a*) DLF "American preference" procurement policy. (*b*) Increased contributions by other nations in meeting needs for economic aid.
16. *Need for broadened use of agricultural surpluses* for development and impact projects (HFAC members comment).	16. Proposed amendment to title II, Public Law 480, incorporated in Mutual Security Act of 1960.

The underlying assumptions on which the Mutual Security Act are based as well as the policies to which the Act is directed should be reexamined. It is the expectation of the committee that the new administration will address itself to these matters before it submits the mutual security bill next year.

Inspector General and Comptroller

Last year the committee initiated legislation establishing an Inspector General and Comptroller with sufficient staff, funds, and independence to carry on a continuous scrutiny and evaluation of mutual security operations. The committee is disappointed in the time which has been required for the Inspector General and Comptroller to get into operation and regrets that in building up an organization, the Inspector General and Comptroller has drawn to so large an extent on personnel already employed in the executive branch of the Government, too many of whom have been connected with the mutual security program.

The bill includes an amendment to eliminate from the duties assigned to the Inspector General and Comptroller by law "designing the form and prescribing the financial and statistical content of the annual program presentation to the Congress." This should give the Inspector General and Comptroller more time to seek out deficiencies in mutual security operations and should also make it unnecessary for him under any circumstances to defend the program or explain away its shortcomings. The job of the Inspector General and Comptroller is to discover waste and inefficiency in the mutual security program and to see that corrective action is initiated. He should be encumbered with no other responsibilities.

The work program discussed by the Inspector General and Comptroller with the committee, his concept of his responsibilities, and his acquaintance with and understanding of deficiencies in mutual security operations have given the committee confidence that this device for tightening up the administration and control of the program is soundly conceived and can be effective. Unless the Inspector General and Comptroller clearly demonstrates the effectiveness of his operation during the months to come, the Committee intends to take further action to assure that deficiencies in the operation of the program are detected and remedied.

It is essential that whatever impediments have been hampering the Inspector General and Comptroller in getting into full-scale operation be removed. This new office is in the State Department and is subject

to direct control by the Under Secretary. The committee urges that the Under Secretary take a personal interest in overcoming whatever bureaucratic resistance may have developed on the part of officials or agencies desiring to avoid scrutiny.

Under existing law (sec. 533A) the expenses of the Inspector General and Comptroller are charged to the programs under his jurisdiction and have not been subject to any limitation other than the judgment of the Inspector General and Comptroller.

The committee is convinced that a continuation of this procedure is essential to the success of the operation. Unless the Inspector General and Comptroller is skilled in budgetary procedures and dedicated to austerity and economy to carry on his work with a minimum of expenditure, he cannot be expected to discharge the responsibility entrusted to him. If he cannot be trusted to control his own operations, he should not be given responsibility for the entire program.

On the other hand, if his operations are subjected to the budgetary process which applies to other executive agencies, it must be recognized that there will be a continuous and, in all probability, irresistible pressure from all directions to curtail and impede his activities. It would be poor economy if waste and inefficiency in a program involving expenditures of between $3 billion and $4 billion per year should continue undetected because of a shortage of travel funds for investigators or because it was impossible to pay the cost of a needed technician.

The committee notes with disapproval the establishment within the Department of Defense of an independent evaluation staff (hearings, p. 108). The Draper Committee recommended the establishment of such a staff, but the Inspector General and Comptroller should be able to do the job. If he is not organized or staffed to perform this function effectively, his program and personnel should be reorganized to the extent necessary.

It is recognized that the Department of Defense must carry on a continuous evaluation of its military assistance operations just as the Army, Navy, and Air Force must evaluate their own operations in carrying out the responsibilities assigned to them under the military assistance program. Each of the services and the Defense Department are organized so as to bring to the attention of senior officers and civilian officials the information necessary for them to make such evaluations.

There is clearly a place for a separate and independent staff to concentrate on the evaluation function as it relates to the military assistance program in all its aspects. There is no need, however, for two such staffs and the establishment of competing organizations would not only involve a duplication of effort but detract from the objectivity and reliability of either effort.

Responsibility of the Ambassador

The Congress has given increased attention to insuring that the Ambassador will play the paramount role in determining the content, coordination, and direction of our aid programs. Last year the Congress rewrote section 523(b) of the Mutual Security Act to assure that the Ambassador would coordinate recommendations on military assistance with political and economic considerations and, if he so desired, add his own comments to such recommendations. Reports by congressional committees have reasserted the primacy of our Ambassador.

The report of the Special Study Mission to Europe made the observation that "the Ambassador be recognized at all times by personnel of all agencies within the country to which he is accredited as the chief representative of our Government and that all representatives keep him fully informed of their activities and that he attach his own comments to their recommendations." The statutes are clear on the role of the Ambassador in the mutual security program. These are buttressed by independent observations of Members of Congress who have visited countries in which we have assistance programs.

The Ambassador should not be content with general coordination and supervision of the program. He should, and must, recognize his responsibilities for its efficient administration. He must take whatever steps are necessary to assure that he will know how the program is being operated. He should not hesitate to move into situations where the performance of the operating agencies is deficient.

UNITED STATES BALANCE OF PAYMENTS AND THE OUTFLOW OF GOLD

The committee has given careful consideration to the alleged relationship between United States expenditures for assistance to foreign nations and the unfavorable United States balance of payments in 1958 and 1959, together with the net outflow of gold which has occurred in recent years, and has arrived at the following conclusions:

The unfavorable United States balance of payments and the recent outflow of gold have not been caused by the mutual security program and the mutual security program has only a minor direct influence on our balance of payments.

The termination or drastic curtailment of United States foreign assistance would not reestablish a favorable balance of payments or stop the export of gold.

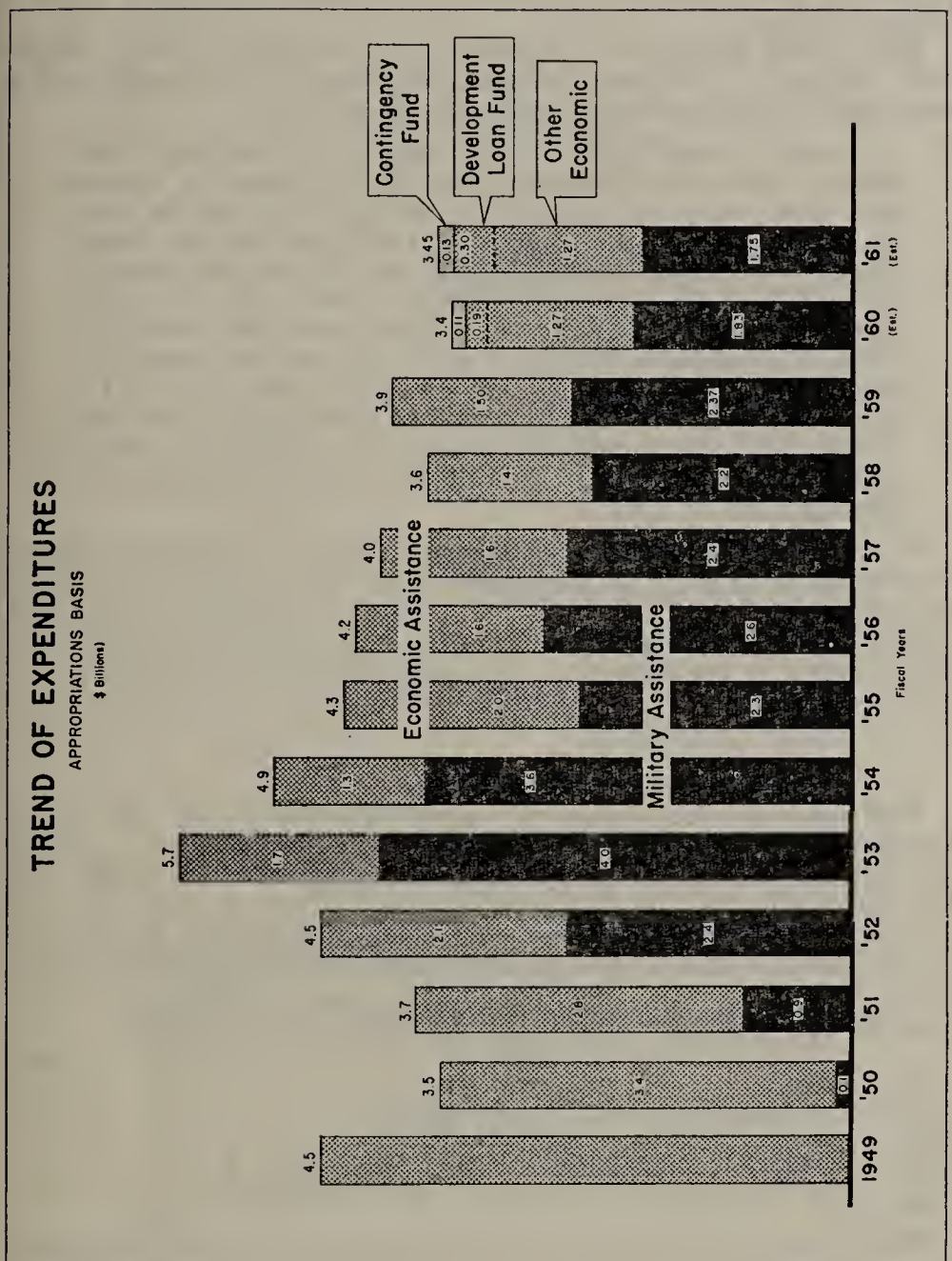
The amount of United States expenditure for military and economic assistance should be determined by the job to be done in order to defend our security and to establish satisfactory relationships with the governments and peoples of other nations. Such expenditures should not be measured against or related to payment deficits or gold outflow.

In arriving at these conclusions, the committee made note of the following:

The mutual security program has a relatively small direct influence on the United States balance of payments. During fiscal 1959 total United States mutual security expenditures were $3,898 million. Of this total, three-fourths was spent in the United States and consequently did not affect the balance of payments. While the remaining one-fourth, approximately $1 billion, was spent in foreign countries, the bulk of this money was respent for purchases in the United States. This represents but a small fraction of our total public and private expenditures abroad which amounted to $29.5 billion in 1959.

Against the minor direct influence of foreign assistance expenditures on the balance of payments should be offset the effect which United States aid has had on the development of markets for United States commodities and in opening up opportunities for United States investment. Conversely, if United States aid were cut off or drastically reduced, the damage to world commerce and confidence would be incalculable.

During recent years when the unfavorable balance of payments was developing and the outflow of gold was increasing, our foreign aid expenditures have been going down, as indicated by the chart on "Trend of Expenditures" on page 13.


TREND OF EXPENDITURES
APPROPRIATIONS BASIS
$ Billions)
Contingency Fund
Development Loan Fund
Other Economic
Economic Assistance
Military Assistance
Fiscal Years
1949
'50
'51
'52
'53
'54
'55
'56
'57
'58
'59
'60 (Est.)
'61 (Est.)
4.5
3.5
3.7
4.5
5.7
4.9
4.3
4.2
4.0
3.6
3.9
3.4
3.45
0.1
3.4
2.8
0.9
2.1
2.4
1.7
4.0
1.3
3.6
2.0
1.6
2.3
1.6
2.6
1.4
2.4
1.50
2.37
1.27
1.83
0.11
0.013
0.30
1.27
1.75

53899—60——2

Current indications are that there has been a turn for the better. Our export surplus for January 1960 was $354 million compared to $94 million in January last year and for February was $217 million in comparison to $65.1 million in February 1959. Furthermore, the outflow of gold in 1959 was down to $700 million compared to $2.3 billion in 1958.

The United States does not and never has financed foreign assistance with gold. The situation was well illustrated by the following testimony before the committee (hearings, p. 177):

> I want to amplify this issue by an example: Suppose a poor relation goes to the country store and he wants to borrow $10 from the owner of the store, and not only does he want to borrow $10, but he wants it in goldbacks and not greenbacks. The storekeeper looks in the till and sees that he doesn't have the money, but he has a lot of goods on the shelves to tide his family over, canned goods and such. He says, "I don't have $10 to lend you, but you are welcome to my supply of goods." We have a lot of these goods on the shelf to give. We can put some of our own factories into double shift and supply goods that the Communists would never be able to meet, certainly not in the next decade or two.

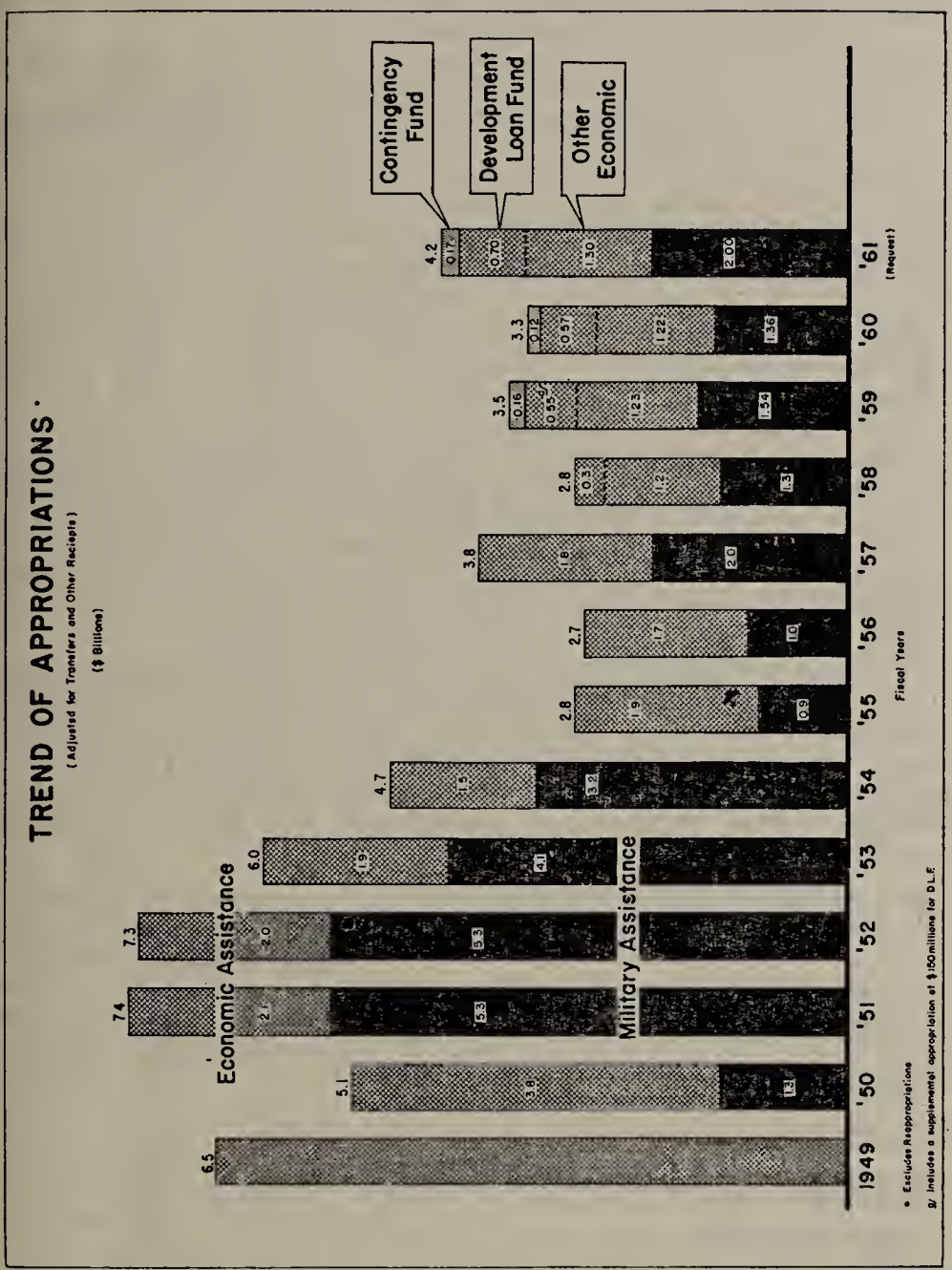
Of the numerous analyses of the gold balance of payments situation which have come to the attention of the committee and which have purported to represent skilled research or qualified professional judgment, the only ones attributing the unfavorable situation to the mutual security program were from organizations or individuals who had previously identified themselves as opponents of the program.

THE PIPELINE

The committee has continued to give attention to the size of the unexpended balances of the mutual security program. These unexpended balances, popularly called the pipeline, are funds that have been obligated for goods and services that are on order but have not yet been delivered. Payment must be made for them when delivered. Following are the annual unexpended balances for the entire mutual security program—military and nonmilitary—at the close of each fiscal year since 1950.

	Billion		*Billion*
1950	$3.5	1956	$6.3
1951	7.1	1957	6.1
1952	9.9	1958	5.3
1953	10.0	1959	4.8
1954	9.5	1960 (estimated)	4.7
1955	7.9		

These unexpended balances are available only to meet obligations already incurred. They are not available to move the program forward through the purchase of additional goods and services. These can only be procured by making available new or unobligated money. Some critics lump together the content of other programs such as the Export-Import Bank and the sales of surplus agricultural commodities to make a case that large availabilities exist. Each of these other programs has, of course, a foreign policy objective. But the objectives of these programs are not identical with those of the mutual security


TREND OF APPROPRIATIONS *
(Adjusted for Transfers and Other Receipts)
($ Billions)
Economic Assistance
Military Assistance
Contingency Fund
Development Loan Fund
Other Economic
6.5
7.4
7.3
5.1
6.0
4.7
2.8
2.7
3.8
2.8
3.5
3.3
4.2
2.1
2.0
3.8
1.9
1.5
1.9
1.7
1.8
1.2
1.23
1.22
1.30
.12
.16
.17
.70
.55
.57
.03
1.2
.9
1.0
2.0
1.3
1.54
1.36
2.00
5.3
5.3
4.1
3.2
1949
'50
'51
'52
'53
'54
'55
'56
'57
'58
'59
'60
'61
(Request)
Fiscal Years
* Excludes Reappropriations
g/ Includes a supplemental appropriation of $150 millions for D.L.F.

program. In many cases they complement the mutual security program. In no case do they supplant it.

Unexpended balances are not peculiar to the mutual security program. The following table compares the unexpended balances of the military assistance portion of the program with those of the Department of Defense:

[In billions]

Fiscal year	Military assistance under mutual security program	Department of Defense
1950	$1.2	$9.8
1951	5.6	38.1
1952	8.4	59.5
1953	8.5	62.1
1954	7.7	55.0
1955	6.2	45.3
1956	4.6	37.5
1957	4.2	34.6
1958	3.4	32.1
1959	2.6	31.7
1960 (estimated)	2.0	31.3

The Department of Agriculture's unexpended balance stood at $2 billion at the end of fiscal year 1956. In 1957 it rose to $3 billion. For 1958 it was $4.8 billion and for 1959 it was $3.6 billion. The unexpended balances of all other Government agencies (excluding Defense, Agriculture, and the mutual security program) were $26.8 billion in 1956, $24.7 billion in 1957, $29.6 billion in 1958, $31.2 billion in 1959, and estimated for 1960 at $32.1 billion.

The argument has also been made that the mutual security program not only has large unexpended balances but that it also has tremendous unobligated amounts. The following figures taken from the President's budget for fiscal year 1961 show the unexpended and unobligated amounts for the mutual security program, the Department of Defense, the Department of Agriculture, and all other Federal agencies.

[In billions]

	Department of Defense	Mutual security program	Department of Agriculture	All others
Unexpended June 30, 1956	$37.5	$6.5	$2.0	$26.8
Unobligated June 30, 1956	12.7	.4	.2	19.6
Unexpended June 30, 1957	34.6	6.3	3.0	24.7
Unobligated June 30, 1957	11.0	.9	1.6	17.7
Unexpended June 30, 1958	32.1	5.4	4.8	29.6
Unobligated June 30, 1958	8.3	.3	3.4	20.6
Unexpended June 30, 1959	31.7	5.0	3.6	31.3
Unobligated June 30, 1959	8.2	.4	2.2	22.1
Unexpended June 30, 1960	31.3	4.9	3.4	32.2
Unobligated June 30, 1960	7.5	.3	1.9	22.2

NOTE.—Mutual security program balances include public debt funds for the investment guarantee program of $200,000,000.

Mutual security program unobligated figures in above table exclude reservations; the latter item is also excluded from Department of Defense figures. Reservations are included, however, in mutual security program unexpended.

Reservations of the military assistance portion of the mutual security program are made pursuant to the provisions of section 108 of the Mutual Security Appropriation Act, 1956, as amended. To all intents and purposes this is an obligation on the part of the mutual security program. Under the reservation procedure equipment on order for the mutual security program is financed initially from regular Department of Defense procurement funds. At the time orders are placed, funds are reserved in the mutual security program military assistance accounts for future reimbursement to the procurement accounts of the military service.

Considering the magnitude of the program and its global character, the committee believes that the fiscal side of the mutual security program compares favorably with that of other Government agencies In many cases it is considerably better.

AVAILABILITY OF MUTUAL SECURITY PRESENTATION BOOKS TO MEMBERS OF THE HOUSE

As in previous years an invitation was extended to every Member of the House willing to respect their security classification, to examine the presentation books containing detailed information relating to the mutual security program. There are seven volumes this year classified "Secret" which are available at all times at the office of the Foreign Affairs Committee on the gallery floor here in the Capitol and will be at the committee table during the period when the mutual security bill is under consideration.

Most of the material is not classified, and everything that is classfied is clearly marked. Last year the House added to the Mutual Security Act requirements that additional information be made available to the Congress and that a detailed explanation of the determination of force objectives and the level of aid be given for countries receiving defense support. This year a smaller portion of the material has been classified than in any previous year.

The classification of the material in the volumes is done by the Executive and not by the Committee on Foreign Affairs. Figures for past military aid to individual countries have been declassified this year and appear in the hearings. There are three main categories of material which still are not made public:

First, information as to the size and strength of the armed forces of cooperating countries and as to the number of tanks, airplanes, etc., which have been or will be delivered to other nations.

Second, the amount of money currently programed for individual countries. This is to avoid disappointment and possible ill will if adjustments in amounts are necessary after congressional action is completed.

Third, comments and judgments of United States officials concerning conditions in foreign countries. It is essential that if the committee and the Congress are to receive frank estimates, such comments not be made public. If our ambassadors and military commanders are not protected on such matters, they will inevitably be limited to carefully phrased statements which will be in accord with diplomatic usage, but not very informative or useful to the Congress.

STATEMENT OF POLICY

Section 2, amending section 2 of the Mutual Security Act: Statement of policy

The Committee on Foreign Affairs has followed closely developments relating to the use of the Suez Canal and believes that the United States has not done as effective a job as it should have in urging the removal of the restrictions on the free movement of commerce through the canal. With this and other situations in various parts of the world in mind, the committee proposes an amendment to the Mutual Security Act, expressing the sense of the Congress that the United States favors freedom of navigation in international water-

ways and economic cooperation between nations, and that the purposes of the Mutual Security Act are negated and the peace of the world is endangered when nations which receive assistance under the act wage economic warfare against other nations receiving such assistance, including such procedures as boycotts, blockades, and the restriction of the use of international waterways. The amendment further states that it is the sense of the Congress that the Mutual Security Act and the Agricultural Trade Development and Assistance Act of 1954 shall be administered so as to give effect to these principles.

The amendment leaves to the President full responsibility for the determination of the application of the policy and of such action as is to be taken in these matters, but requires that the President report to the Congress on the implementation of this section.

CHAPTER I. MILITARY ASSISTANCE

This bill contains no authorization for military assistance. The Mutual Security Act of 1959 authorized that there be appropriated "to the President for the fiscal years 1961 and 1962 such sums as may be necessary" for the continuation of the military assistance program. This authorization was agreed to on an experimental basis by the managers on the part of the House in conference with the Senate. The House conferees at that time pledged themselves "to continue to make a careful review of all aspects of the military assistance program."

The Committee on Foreign Affairs has fulfilled its obligation and has reviewed carefully the military assistance program for fiscal 1961.

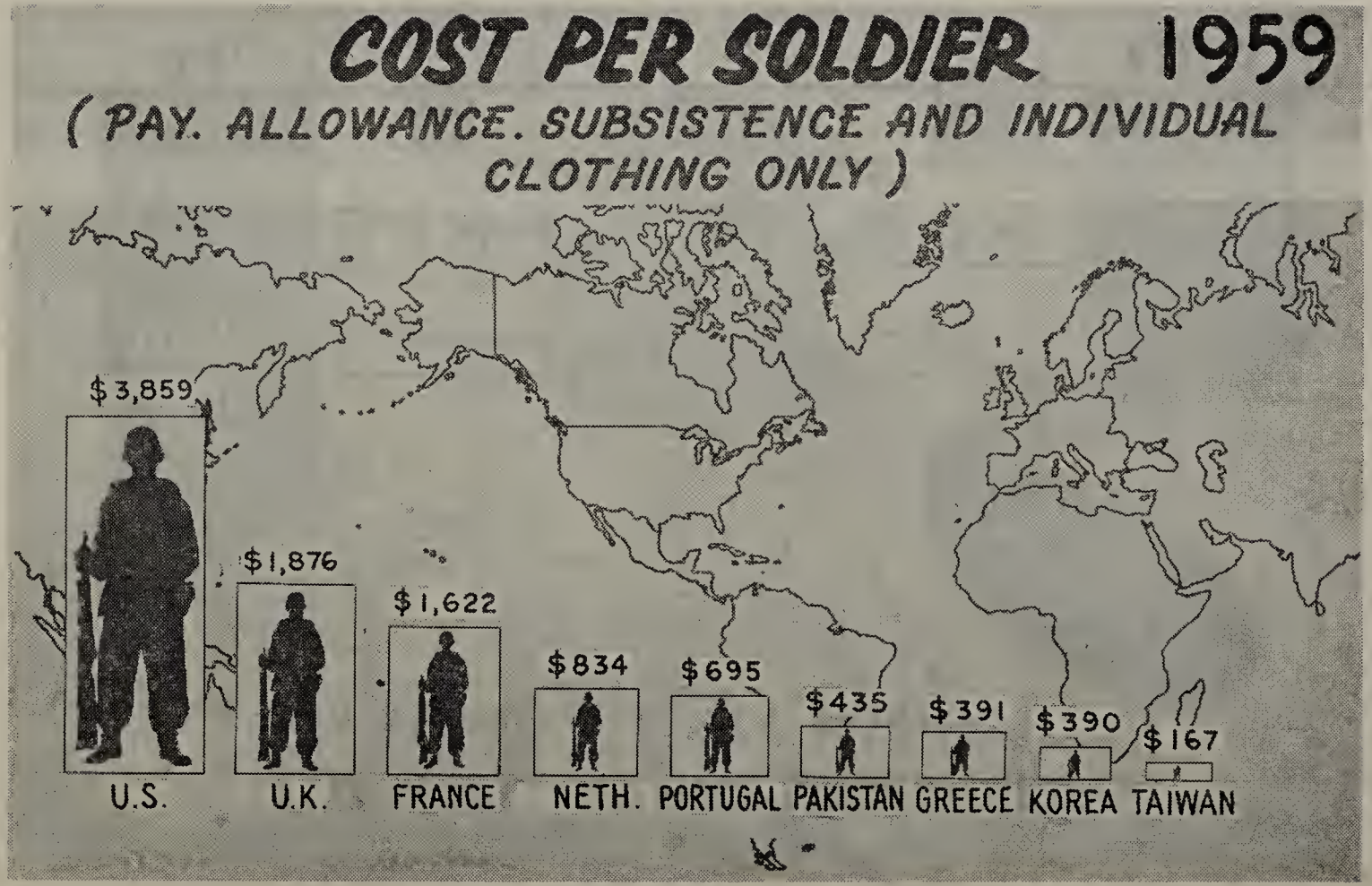
The Congress and the people of the United States must face the fact that today the defense of the United States depends on continuing the military assistance program at approximately its present scope. The military strategy of the United States, as formulated by the Joint Chiefs of Staff over more than a decade, has been built upon the availability of oversea bases and on the cooperation of the forces of other nations. Practically every major United States field commander depends on the employment of hundreds of thousands of allied troops, thousands of allied aircraft, as well as allied ships, along with our own forces to carry out the missions assigned to him in time of war.

We are not today confronted with a choice between a defense dependent on the military assistance program or another defense posture. It would take several years to reorganize our defenses on any other basis and our responsible military leaders do not believe that any alternative strategy would be as effective. We must maintain the military assistance program or endanger our national security.

Hon. Thomas S. Gates, Jr., Secretary of Defense, in his testimony before the Committee on Foreign Affairs (hearings, pp. 70, 71) said:

> I know of no more forceful way to emphasize the essential role played by military assistance in assuring the security of this Nation than to cite this fact: our Joint Chiefs of Staff have recently said, with complete unanimity, that they would not want $1 added to the Defense budget for 1961 if that dollar had to come out of our recommended military assistance program.

FREE WORLD DEFENSE EXPENDITURES
(in billions) CY 1950-1959
What would this cost the U.S.?
$384
$179
OUR DEFENSE
U.S.
ALLIES
STRENGTH TODAY U.S.
1600
40,000
870 THOUS. MEN
2300
29,000
4.9 MIL. MEN
COMBATANT SHIPS
including reserves
AIRCRAFT
ARMY
CANADA, AUSTRALIA AND NEW ZEALAND
$21
EUROPEAN NATO
and other Grant Aid Allies
$135
U.S. MAP
$23


COST PER SOLDIER 1959
(PAY. ALLOWANCE. SUBSISTENCE AND INDIVIDUAL CLOTHING ONLY)
$3,859
U.S.
$1,876
U.K.
$1,622
FRANCE
$834
NETH.
$695
PORTUGAL
$435
PAKISTAN
$391
GREECE
$390
KOREA
$167
TAIWAN

And he added:

> We do not have to defend the military assistance program on the basis of altruism, moral obligation, or the exercise of responsible leadership in the non-Communist world; by the coldest calculation of self-interest, this $2 billion military assistance program is the most desirable way of arriving at a total U.S. strategy to counter the threats of communism.

The Secretary summarized the situation as follows:

> Only 10 percent of the ground forces that will come under General Norstad's NATO command in time of war are American.
>
> In the Far East, Admiral Felt must largely rely upon Allied forces to maintain his forward strategy. Only a small percentage of U.S. soldiers, sailors, marines, and airmen form the nucleus of an allied force of almost 2 million men which, in the event of war, would provide the delaying action necessary to keep the frontline in the Pacific rather than on the west coast of the United States.
>
> In Korea, General Magruder, as U.N. commander, commands 21 divisions on the line, only 2 of which are American.
>
> Many of General O'Donnell's aircraft in the Far East are receiving combat control directions from Allied radar control sites.
>
> The flyers of the Netherlands Air Force switch to English when they are in the air because they are flying in the same operations with our own European Air Force.
>
> In Italy, over 2,000 troops in our own Southern European Tactical Force have been replaced with Italian troops and both United States and Italian officers can be found in the current staff of SETAF.
>
> In Italy there will soon be jointly manned IRBM squadrons adding strength to the defenses of Europe. A similar capacity is also being developed in Turkey.
>
> In Spain there is close relationship between the military assistance effort and Spanish assistance in providing the facilities we require to maintain a continuous retaliatory capability of our SAC forces.

Section 101, amending section 105(b)(4): Military assistance to Latin America

Last year the Committee on Foreign Affairs expressed the judgment (H. Rept. 440, p. 18) that there should be a reasonable reduction of military armament grants to Latin America as a first step toward carrying out the recommendations of the Subcommittee on Inter-American Affairs (H. Rept. 354, May 12, 1959). The subcommittee had recommended "an orderly and gradual reduction" of armament grants with the "ultimate goal" the termination of such assistance to Latin America.

In line with these recommendations, the Mutual Security Act of 1959 amended section 105(b)(4) by adding the following sentence:

> The aggregate amount of funds which may be obligated or reserved during the fiscal year 1960 for furnishing military assistance to American Republics shall not exceed the

aggregate amount of funds obligated or reserved for such purpose during the fiscal year 1959.

The amendment in this bill carries forward the policy adopted last year by further reducing the ceiling on the military grants to Latin America. This limitation does not apply to sales of military equipment. The estimated "obligations and reservations" for fiscal 1960 subject to the limitation in the Mutual Security Act of 1959 is $44,100,000 and it is the committee's intention that such obligations and reservations for fiscal 1961 will not exceed this figure.

The committee reiterates its belief that the supplying of military equipment on a grant basis to the nations of Latin America should be terminated as soon as possible and that the program for fiscal year 1962 should be developed with this objective in view.

CHAPTER II. ECONOMIC ASSISTANCE

Economic assistance, as opposed to military assistance, consists of broad categories of activity known as defense support, the Development Loan Fund, technical cooperation, and special assistance and other programs.

DEFENSE SUPPORT

Section 201(a), amending section 131(b): General authority

Section 201(a) amends section 131(b) of the Mutual Security Act of 1954, as amended, by striking out the authorization of $751 million for fiscal 1960 and substituting an authorization of $675 million for fiscal 1961, to remain available until expended. This is $49 million less than the $724 million requested by the Executive, $76 million below the authorization and $20 million below the appropriation for fiscal 1960 last year.

Defense support is that economic assistance which is required, in addition to military assistance, in order to secure a specific contribution to the common defense by another country in which United States military aid is helping to support significant military forces. Unlike the other categories of economic assistance which are addressed to the direct economic needs of the countries, defense support is designed to assist underdeveloped countries in strategic areas which are making major defense contributions of forces and bases to the common effort.

It consists of economic resources to permit the maintenance of such defense contributions without causing political or economic instability. As a general rule it is the minimum level of assistance required to enable a country to meet the cost of an agreed required defense contribution of forces or facilities or both. It is a requirement for financial assistance which is determined after negotiation of a maximum share of the cost which can be met by the country from its own resources and after taking into account other external assistance alternatives, both bilateral and multilateral.

Support is extended in two ways: One is by projects in major areas of the economy such as agriculture, forestry, and fisheries; industry and mining; transportation, health, and sanitation; education; public administration; and community development, social welfare, and housing. Each project is negotiated bilaterally between the United States and the recipient country in terms of need, method, and cost. In some cases United States payment is made to the government in dollars, converted into local currency to meet agreed local expenses. In other cases it is equipment or services from the United States or third countries paid for directly by the United States.

Based on executive branch appropriation request

The second way is by nonproject support in which the United States finances imports of agricultural or industrial commodities or makes direct cash payments. United States funds are paid to the suppliers of materials or services delivered to the recipient country.

The ultimate objective is military; i.e., to make possible a military contribution. The means, however, is assistance to the civilian economy to enable it to support the military contribution at an agreed level. Requirements for eligibility are established by law and are met through obligations made by formal agreement.

With the exception of technical cooperation programs and such functionally planned projects as malaria eradication, defense support covers all programed economic assistance to countries where the United States provides military assistance to significant forces. Total United States obligations for defense support have slowly, but visibly, declined from $1,196 million in fiscal 1957 to $766 million in fiscal 1960 to reflect generally improving conditions in the underdeveloped countries concerned.

As in the preceding 2 years, 12 countries are involved, and are the same. They are:

Cambodia	Korea	Spain
China (Taiwan)	Laos	Thailand
Greece	Pakistan	Turkey
Iran	Philippines	Vietnam

All are underdeveloped. Eleven are on the periphery of the Sino-Soviet bloc; the 12th is within easy range of hostile planes and missiles. All contribute in varying degree to free world security in some or all of the following crucial ways: (*a*) Local forces capable of resisting external aggression; (*b*) maintenance of internal security; (*c*) military base rights; (*d*) collective security, and (*e*) political and moral support.

Fifty-seven percent of the total is for three Far Eastern countries—Korea, Taiwan, and Vietnam. All have three characteristics in common: (*a*) They are divided; (*b*) superior Communist forces are on their borders; (*c*) they maintain armed forces far in excess of those which they could support with their own resources. Combined they maintain nearly a million and a half men under arms, which is equivalent to 60 percent of the Armed Forces of the United States or Communist China.

The United States has significant bases in Spain, Turkey, Greece, Korea, Taiwan, and the Philippines. Six of the twelve (Greece, Turkey, Iran, Pakistan, Thailand, and the Philippines) are members of one or more of the major collective security organizations (NATO, SEATO, CENTO). Three others—Laos, Cambodia, and Vietnam—are being safeguarded by SEATO. Bilateral United States security treaties exist with Korea, Taiwan, and the Philippines.

Programed requirements are reduced in 8 of the 12 countries as compared with this year. This trend is expected to continue. Modest increases were proposed for Pakistan, Laos, and Taiwan because of special situations in those countries.

After detailed examination of the requirements for defense support in fiscal 1961, the committee concluded that $675 million would adequately meet the authorization for funding requirements of the Executive.

Section 201(b), amending section 141: Conditions of eligibility for assistance

Seetion 141 now requires a prior finding by the President that furnishing such assistanee under this ehapter (defense support) or chapter I (military assistance) will strengthen the security of the United States and promote world peaee and that a receiving nation shall have agreed to eertain provisions as speeified in seetion 142(a) of the Mutual Seeurity Aet of 1954 and sueh additional provisions as the President deems neeessary as eonditions precedent to the furnishing of sueh assistance.

The amendment proposes that the reference to "such assistanee" be changed to read "defense support or military equipment and materials" for the purpose of freeing military assistance training and information under ehapter I from the eonditions of this section as was done in the act of 1959 with respect to Latin Ameriean countries in connection with section 105(b)(4) conditions.

This amendment is desirable in that it is frequently in the interest of the United States to provide military training and information to a country which, for politieal or other reasons, may not be in a position to undertake the eommitments required by seetion 142(a). No defense support or military assistanee, other than training or information, would be needed.

Section 201(c), amending section 142(a): Agreements

The amendment is technical, consistent with the prior amendment with respect to the requirement in the introductory clause for agreements between the United States and reeipient nations to speeified provisions as a condition precedent for the furnishing of sueh assistanee, thereby similarly removing military training and information from the requirement.

DEVELOPMENT LOAN FUND

Section 202(a), amending section 202: General powers of the Development Loan Fund

This amendment restricts the authority of the Development Loan Fund to allocate or commit funds unless an application or applieations have been reeeived from the borrowing country (1) supported by suffieient engineering, financial, or other data to indieate reasonably the use to be made of the funds and to permit a judgment as to the eeonomic and technical soundness as well as the practicability of the project or program, and (2) equal to or in exeess of the amount to be alloeated or committed. At the same time, the amendment makes clear that alloeations and eommitments may be made in advance of the receipt of such data when the President determines it to be in the national interest to use Development Loan funds pursuant to multilateral plans. In all eases, however, actual obligation of funds will depend on the further step of working out substantive engineering plans and cost estimates.

The committee was impressed by testimony from Hon. Porter Hardy, ehairman of the Subeommittee on Foreign Operations and Monetary Affairs of the Government Operations Committee, and other members of the subeommittee, setting forth the extent to whieh Development Loan funds had been set aside on the basis of general commitments to a borrowing country in advance of the submission of specific proposals. It is recognized, particularly in the case of pro-

grams or projects involving the participation of two or more countries or joint planning with an international organization, that it is essential for the United States to be able to commit itself to make available a specified sum prior to receiving applications meeting the requirements mentioned.

Section 202(b), amending section 205(a): Management, powers, and authorities of the Development Loan Fund

This subsection amends section 205(a) of the act which relates to the management, powers, and authorities of the Development Loan Fund, by substituting a reference to the Secretary of State for a reference to the Under Secretary of State for Economic Affairs as a member and the Chairman of the Board of Directors of the Development Loan Fund. This is a perfecting amendment made in accordance with the provision of Public Law 86–117 which provides that any provision of law vesting authority in the Under Secretary of State for Economic Affairs is amended to vest such authority in the Secretary of State. The Secretary has designated the Under Secretary of State to serve as Chairman of the Board of Directors of the Development Loan Fund.

TECHNICAL COOPERATION

Section 203(a), amending section 304: Bilateral technical cooperation

Section 203(a) amends section 304 of the act which relates to bilateral technical cooperation by deleting an obsolete authorization for an appropriation and substituting an authorization for an appropriation of $172 million for fiscal year 1961.

Bilateral technical cooperation programs are planned for approximately 60 countries and territories. These programs are not commodity or capital investment programs. Their primary objective is to aid the peoples of the underdeveloped countries to establish the institutions, to increase their skills, and to stimulate the more efficient use of their resources as a means of advancing their economic and social development. The major fields of activity are agriculture, education, public administration, and health.

The emphasis is on people—United States technicians working in the underdeveloped countries, the training of local participants in the United States and other free world countries, and contract services with American universities, firms, and individuals providing specialized services. For next year 81 percent of the funds is proposed to be used to pay for these activities. The balance will be used for demonstration supplies and equipment, to contribute to joint funds supporting cooperative services such as the "servicios" in Latin America, to cover the costs of employment of local personnel and of local facilities, and to finance supporting services in Washington.

The program proposed for Europe amounts to $4 million, an increase of $1.3 million over the current year. Only two countries in Europe receive funds under this program—Spain and Yugoslavia. The planned increase is entirely for Yugoslavia, attributable to the increased significance which that country attaches to the program and its increased capacity to utilize technical assistance.

For Africa the 1961 program is estimated at $24.3 million, which is $3.35 million above the program for 1960. This increase is primarily for new or relatively new programs in the nations that have recently

achieved independence or are in the process of achieving it, such as Morocco, Nigeria, Somalia, Tunisia, and the countries in West Africa. Technical cooperation programs are one of the principal means by which the United States can help the new African countries move in a democratic and economically rational direction and encourage their identification with the free world. An additional sum of $20.0 million, provided under "Special Assistance," is planned for Tropical Africa primarily to strengthen African institutions that can better serve as effective centers of planning and leadership in education. Thus, this special program will complement the bilateral technical cooperation programs.

For the Near East and South Asia the 1961 program is planned at $44.7 million, or $1.8 million above the program for 1960. This will permit a strengthening of the programs in India, Afghanistan, and several other countries. Slight decreases are planned for four countries.

The program for the Far East is $36.0 million, which is $2.0 million above the program for 1960. This additional amount is to provide for increases in several countries, principally Korea and Indonesia. A substantial further decrease is proposed for Japan to provide for the orderly termination of the program in that country by the end of the next fiscal year.

The 1961 request for the Latin American region of $39.5 million is $2.0 million above the comparable program for 1960. This will finance increases in programs in Argentina and the newly formed West Indies Federation as well as the revitalized education program in Brazil. Small increases are provided for the programs in Colombia, Ecuador, and Haiti, while slight decreases are planned for Bolivia and Chile.

The interregional program for 1961 is estimated to require $23.5 million, approximately $1.71 million more than for 1960. These funds are for supporting expenses for the program in all the regions, but cannot be assigned to any one country or region. They include participant support, technical consultation and support, training and development of oversea technicians, and program support services by the Department of State.

It is a decade since technical cooperation, originally called Point 4, was inaugurated. The administration of the program has gone through a number of phases, not the least of which has been its merger in organizations, FOA now ICA, that administer a variety of programs. In administering large economic aid programs there is always the danger that the more modest technical cooperation programs will not receive sufficient emphasis. Six years ago the committee made this observation:

> Under the present administrative arrangements there is no one individual responsible solely for guiding and focusing attention upon technical cooperation. It is now part of an agency that has other responsibilities involving more costly operations. Technical cooperation tends to be a stepchild. Of all the parts of the program encompassed in this (authorization) bill, this is the one that has the longest range possibilities. Nowhere in the present administrative organization is the technical cooperation program brought into focus as a program. It is handled only on an area basis. The com-

> mittee believes that which is needed is a single individual to concern himself with the total program and who will give it the stature and emphasis it merits as part of our foreign policy (H. Rept. 1925, 83d Cong., 2d sess.).

There is much that is still valid in those earlier observations. The committee was pleased to hear from the present Director of ICA, Hon. James W. Riddleberger, that—

> we are initiating a serious study of this program looking toward recommendations as to how it can be made an increasingly effective instrument in the decade ahead. We are establishing a technical assistance study group for this purpose. * * * We need to know better the types of activities which give greatest promise of success. We must be ready to accept new ideas and to experiment with new devices if we are to achieve maximum results. For example, we need to know more about the potentialities and value of what is often referred to as community development. * * * (hearings, p. 209).

The committee expects to be kept informed of the activities and reports of the study group.

POINT FOUR YOUTH CORPS

The committee is convinced that there is a significant number of young Americans trained in agriculture, home economics, and other practical fields of activity who recognize the importance of world problems, particularly those of the less developed countries. Among them are many who are motivated more by a desire to serve than to advance their careers. The report of the Special Study Mission to Asia, Western Pacific, Middle East, Southern Europe, and North Africa in its observation on Vietnam included the following:

> With all the confusion in regards to our foreign aid projects in Vietnam, the study mission is happy to report that there is in that country one of the finest agricultural projects found anywhere on their trip. Up in the hill country they visited an experiment station where several young American boys, graduates of agricultural colleges, were living in quonset huts alongside the Vietnamese. This station had planted in plots practically every agricultural crop, including cotton, corn, peanuts, potatoes, all kinds of vegetables, and raefel. Efforts were being made to show the hill people, who had been given 5 acres of land and a water buffalo, how to plant and cultivate in rows. This project is helping people to help themselves. The entire project has not cost as much money as 1 mile of the superhighway. It is such projects to which the study mission gives its heartiest approval.

The American youth referred to above are selected, trained and assigned by International Voluntary Services, Inc., under contract with the International Cooperation Administration. They receive $60 a month, plus food, clothing and simple quarters at the site of their work. The committee was informed that at least 10 highly qualified young graduates of agricultural colleges have volunteered for each position made available by the International Cooperation Administration.

It would be of great value not only in creating a favorable impression of the United States but also in promoting sound and basic improve-

ments in economic development if more places for such young people were found in oversea operations. Various other proposals have also been made for carrying out this concept. The Executive has not undertaken vigorous action in this direction and has, on occasion, appeared to regard the sending of such young people abroad as creating administrative problems rather than as an opportunity for strengthening the program.

The committee believes that the United States is failing to utilize one of its important assets by not developing a program for using such services. If young Americans with farm backgrounds and adequate technical training, who are willing to live in the villages and share in the daily work of the people and who would serve with only a minimum salary and subsistence allowance, could be carefully selected and sent to the less developed countries, they could be unusually effective representatives of the United States.

The committee announces its intention to make a comprehensive survey of the possibilities for such an effort. Should this study support the committee's present belief that there is substantial merit in the proposal, the committee will prepare specific recommendations for getting the program underway, and will expect the Executive to make a serious and constructive effort to put the program into effective operation.

Section 203(b), amending section 306: Multilateral technical cooperation

Section 203(b) amends section 306 of the act which relates to multilateral technical cooperation and related programs in two respects.

Paragraph (1) amends subsection (a) dealing with contributions to the United Nations Expanded Program of Technical Assistance and the Special Fund by deleting obsolete language for an authorization of an appropriation and authorizing an appropriation of $33 million for calendar year 1961. The proviso in existing law limits the total contribution of the United States to the Expanded Program of Technical Assistance and the Special Fund to a maximum of 40 percent of the total amount contributed by all governments to both programs for 1961.

The United Nations Expanded Program of Technical Assistance and the more recently established Special Fund are designed to stimulate international cooperation in the economic development of the less developed countries. These multilateral approaches are in addition to our bilateral programs. There are several advantages in the multilateral approach. It makes available a greater pool of technically qualified personnel than could be supplied by the United States. In the current year assistance is being given to 104 countries and territories and includes the provision of about 1,600 experts and some 2,000 fellowships for training abroad. Among the newer countries there is often a marked sensitivity to reliance upon any one foreign country. They find it preferable to use the resources of an international body. An additional advantage for the United States lies in the fact that other countries contribute 60 percent of the cost. It is recognized that the United States is the principal contributor to these multilateral programs, and they serve as a visible and impressive sign of our leadership and of our integrity of purpose.

About 80 governments now make voluntary contributions to a central fund. Funds are allocated to participating specialized agencies

such as the World Health Organization and the Food and Agriculture Organization to carry out projects requested by the less developed countries. These agencies provide experts for work in the country as well as training programs both at home and abroad. Primary emphasis is given to activities in the fields of health, agriculture, and education as well as in industrial development, public administration, civil aviation, and other more specialized activities. The program has been operating at a level of about $30 million annually.

The Special Fund, set up in 1957 largely upon the initiative of the United States, began its operations in January 1959. It complements the work of the expanded technical assistance program. Its purpose is to support surveys, research, and training projects necessary for successful economic growth. It is not an international capital development fund but finances preinvestment projects. Surveys of water, mineral, soil, and power resources and the setting up of technological training centers are typical projects which the fund makes possible.

The financial goal of these two programs is $100 million, of which the United States share cannot exceed $40 million. It is anticipated that other nations will pledge something over $70 million for calendar year 1961. If such is the case the United States share will be around $33 million, the sum contained in the bill. Should other governments exceed their anticipated contributions, any additional funds necessary to meet the United States share would be secured from other mutual security program funds.

Paragraph (2) authorizes an appropriation of $1.5 million to the technical cooperation program of the Organization of American States. This is a sum identical with that appropriated last year. The United States contribution is 70 percent of the total contributions for this program. It consists of the establishment and support of regional training centers in the Americas, in some cases through specialized organizations of the Organization of American States. OAS technical assistance funds are used to support special technical training staffs and to provide fellowships for trainees from member countries of Latin America to attend the centers.

SPECIAL ASSISTANCE AND OTHER PROGRAMS

Section 204(a), amending section 400(a): Special Assistance

This section amends section 400(a) of the act in two respects. First, it authorizes an appropriation of $256 million for fiscal year 1961 for Special Assistance. This is $12.5 million less than the $268.5 million requested by the Executive, and $8.5 million more than the authorization and $11 million more than the appropriation for fiscal year 1960. Second, this section adds a sentence expressing the sense of Congress about the use of Special Assistance funds among the nations of the Near East. There is concern that stability in that area is imperiled by the sale or grant of military equipment to nations in that area. While the new language is not mandatory in its application, it is the congressional intent that so long as it is United States policy not to sell or grant military equipment to any one nation in the Near East, no part of the funds appropriated under Special Assistance should be used by any other nation in that area for the purchase of military equipment.

Based on executive branch appropriation request.

Special Assistance is economic assistance. It is special because it is for use on such terms and conditions as the President may specify and because it is designed to maintain or promote political or economic stability. As such it differs from military assistance and defense support in that it is directed almost entirely to countries in which the United States is not providing military assistance to significant forces. It is assistance on a grant or loan basis to accomplish political or economic objectives which cannot be accomplished by employment of the Development Loan Fund or other United States loan programs.

Assistance is rendered on a country-by-country basis in accordance with advance planning. It is also employed to finance certain regional or global programs, primarily in health and education.

The program of $256 million for fiscal 1961 is directed to 22 countries and territories:

Afghanistan	Morocco
Bolivia	Nepal
Brazil	Paraguay
Burma	Somalia
Ethiopia	Sudan
Guatemala	Tunisia
Haiti	United Arab Republic
Indonesia	West Berlin
Israel	West Indies
Jordan	Yemen
Libya	Yugoslavia

Sixty-nine percent is required to continue programs necessary to the maintenance of political and economic stability in nine countries: Afghanistan, Bolivia, Burma, Haiti, Israel, Jordan, Libya, Morocco, and Tunisia, and to West Berlin.

Eighteen percent is scheduled for major functional programs most effectively planned on a worldwide basis: malaria eradication, community water supply development, international medical research, aid to American schools abroad, investment incentive programs, and the United Nations Emergency Force.

Seven percent is to be used for important low cost or short duration special activities in 12 countries: Brazil, Ethiopia, Guatemala, Indonesia, Nepal, Paraguay, Somalia, Sudan, United Arab Republic, the West Indies Federation, Yemen, and Yugoslavia; also in cooperation with two international organizations: the Organization for European Economic Cooperation (OEEC) and the Central Treaty Organization (CENTO—successor to the Baghdad Pact).

Six percent is planned to undertake a special program for tropical Africa which will concentrate on the improvement of human resources for economic development through increased and improved education and vocational or other training with particular emphasis on needs common to all countries of the area. In many ways this is a pilot program which promises to grow significantly in the immediate future as a supplement to major investment activity on the part of free world countries. The evidences of increasing Soviet interest and activity in this area point up its importance to the world and the urgency of a sound American program in that area.

Where Special Assistance is rendered to a country, it is addressed to a relatively small number of major economic programs or specific project activities in critical countries. It is provided in order to maintain the political independence or stability of countries threat-

ened by internal disorder often stemming from economic imbalance. It is sometimes provided to secure or maintain United States military facilities or other rights in a country or to deal with economic or other problems arising out of the existence of such facilities. It is used to maintain economic stability or support economic growth, maintain political stability or further United States foreign policy objectives by a United States identification with small beneficial projects, or to help meet disaster or emergency needs.

United States foreign policy has been advanced in a variety of ways by Special Assistance. In the absence of the Special Assistance program, it is probable that today's maps would have to be substantially redrawn. The following are among the more noteworthy accomplishments to which this form of aid has contributed significantly:

Strategic bases, outside of our territory, have been retained.

Jordan's economic and, indeed, political survival has been made possible.

Lebanon has been helped to meet the economic dislocations of the internal crisis of 1958 and to restore reasonable stability.

Tunisia has, despite strong pressures from anti-Western sources, retained its freedom of action.

Bolivia has been assisted in the crucial phases of an effort toward economic stabilization, while avoiding a major upheaval and change of political orientation.

Guatemala, a government which ousted a Communist-dominated government, receives Special Assistance to strengthen the present government's determination to maintain an orientation toward the free world.

Yugoslavia, in the face of aggressive Soviet economic action in curtailment of credits, continues its efforts to maintain independence of the Soviet bloc.

In West Berlin, continued United States economic assistance on a modest scale has contributed to maintaining the Western position in this free enclave in the Soviet area.

United States initiative and sharing in the costs of the malaria eradication program, now in its third year of operation, have provided the major impetus in the worldwide program to eliminate malaria.

Special Assistance has been a key factor in furthering United States policy objectives in these and other important political and economic arenas.

During the hearings the committee showed particular interest in the program planned for Tropical Africa. Although details have yet to be worked out, the general approach of emphasizing the development of the human resources of that continent represents a sound approach. It is the expectation of the committee that the program which the Executive has justified will be carried out for the purposes and in the amount described to the committee.

Against great odds, Israel has continued to be a bulwark of stability in an otherwise disturbed area. It has used effectively the modest amount of Special Assistance extended under the mutual security program. The determination of Israel to develop its industry and to increase its agricultural output will necessitate aid at the same level for the next year as in the current year. The committee is therefore of the opinion that Special Assistance to Israel should be maintained at the level of fiscal year 1960.

Section 204(b), amending section 401: United Nations Emergency Force

This amendment authorizes the continuation during fiscal 1961 of the United States contribution to the United Nations Emergency

Force which is financed in part on a voluntary basis by the member nations of the United Nations, in part by an assessment on the nations at the regular scale of assessment. This authority supplements additional authority permitting United States support of the Force, including the making of assessed contributions and the detailing of personnel.

This is a force of 5,000 men from some 7 nations, none from the "Great Powers," which is charged by the General Assembly with enforcing observance of the armistice agreement between Israel and Egypt. Round-the-clock patrols are maintained to prevent or investigate incidents in the region of the Gaza strip, along some 140 miles of Egyptian-Israeli border and at the mouth of the Gulf of Aqaba.

In calendar year 1960 the General Assembly has authorized $20 million for this Force. Being a collective responsibility of the whole organization, the 87 member states are charged for the basic cost of the force on a percentage scale of assessments by which the whole U.N. budget of $60 million is supported. The United States assessment is $6,497,064, or 33⅓ percent. Because of the burden of the cost of this Force, however, on so many smaller countries and the greater interest of the United States and the United Kingdom in the arrangement, the United States at the last General Assembly again offered to make an additional voluntary contribution of $3.2 million, subject to the appropriation of the funds by the Congress, which would reduce by 50 percent the contribution of as many of the least developed countries as it would cover. The British also agreed to make a voluntary contribution. This means that the total United States contribution for calendar year 1960 will be $9,697,064, or 48 percent of the $20 million total cost of the Force.

Section 204(c), amending section 402: Earmarking of funds

This subsection extends for another year the provision of section 402 as to earmarking of funds. Section 402 does not provide for an appropriation. It requires that not less than $175 million otherwise appropriated under the act shall be used to finance the transfer or the sale for foreign currencies of surplus agricultural commodities. The foreign currency proceeds thus obtained are deposited in a special United States account and used to further the objectives of the mutual security program.

From 1946 through June 1959, agricultural exports of the United States amounted to $49.1 billion. Of this amount, those exports made under specified Government-financed programs amounted to $20.8 billion, or 42 percent of the total. Of the $20.8 billion, $10.2 billion were exported under programs administered by ICA and its predecessor agencies; $7.2 billion of the $10.2 billion were financed from foreign aid appropriations.

In each of fiscal years 1958, 1959, and 1960, $175 million was also earmarked to finance disposals of surplus agricultural commodities under this section. In fiscal 1959, actual sales totaled $188 million, 7-percent higher than the legislative requirement, but a 10-percent decrease from fiscal year 1958. The sales for fiscal year 1959 included $81 million in cotton, $50 million in grain, $36 million in fats and oils, and $21 million of other commodities and transportation costs. It is estimated that fiscal year 1960 disposals will go no higher than the $175 million, although the outlook is still uncertain and details of the

commodities disposed of are not yet known. The authorization for fiscal year 1961 continues the requirement for the transfer or the sale of agricultural surpluses at the same level, although it is becoming increasingly difficult to use surplus agricultural products to carry out the purposes of the Mutual Security Act. Military assistance, by the nature of its import requirements and by reason of the decline in offshore procurement, offers little opportunity for section 402 disposals of agricultural products.

The economic assistance programs also offer a declining opportunity for the use of surplus farm products. This is in part because the majority of countries currently receiving economic assistance are predominantly agricultural. Those who do need assistance in meeting agricultural import requirements are generally able to meet such requirements by making purchases under the provisions of Public Law 480.

It is estimated that of the $175 million of disposals required to be made in fiscal 1961, only $100 million can be made directly to beneficiary countries; the remainder, $75 million, will have to be attained by engaging in triangular transactions. Under this procedure, sales of United States grain, cotton, tobacco, and other surplus commodities are made to industrialized countries, primarily in Western Europe, and the foreign currencies derived from such sales are used to purchase in the industrialized nations goods and services to be supplied to the less developed countries under the mutual security program. Such transactions are difficult to arrange and in many instances do not result in any appreciable increase in United States exports of surplus commodities. To some extent such transactions merely substitute for approximately the same volume of products which probably would be purchased by the Western European countries with their own dollar exchange. Also, since most of these countries have recently made their currencies fully convertible when externally held they have little incentive to engage in triangular trade.

A requirement that disposals under this section should exceed $175 million would result either in preventing a certain amount of mutual security funds from being used for their intended purpose or would interfere with our normal dollar exports of agriculture products through commercial channels.

Section 204(d), amending section 403: Responsibilities in Germany

This provision amends section 403 of the Mutual Security Act to authorize the use in fiscal year 1961 of $6,750,000 of special assistance funds for the United States to meet its responsibilities or objectives in Germany, including West Berlin. This is a small reduction from the authorization of $7.5 million for fiscal year 1960 and authorizes the same amount as was actually programed in fiscal year 1960. The actual program in fiscal year 1960 was $6,750,000—$750,000 below the amount authorized.

The Federal Republic of Germany continues to assume almost the entire economic support of West Berlin, including the care of refugees from East Germany who are arriving at a rate of 100,000 per year. The cost to the Federal Republic of Germany is at the rate of $364 million per year. In comparison, United States funds contributed may appear to be a token amount. This has, however, very great importance to the people of West Berlin as evidence of our continued concern for their freedom and well-being.

United States funds provided to West Berlin are used in a variety of ways to meet the needs of the people of West Berlin and to provide them with continuing evidence of our backing, as well as to make more effective the example of West Berlin in providing encouragement to the people of East Germany.

Section 204(e), adding a new section 404: Indus Basin development

Section 204(e) adds a new section 404 to the Mutual Security Act. The new section covers four basic points. They are:

(1) The first sentence of section 404 contains a statement of policy in which the Congress states its approval of the cooperative program negotiated by the International Bank for Reconstruction and Development (the World Bank) for the development of the Indus River Basin and affirms the willingness of the United States to participate in the program under authorities already contained in the Mutual Security Act and "other Acts." As presently contemplated, the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) is the only other act under which funds would be made available. It does not provide a new authorization of any funds. All funds to be expended for the project will be made available under other provisions of the Mutual Security Act and Public Law 480.

(2) Section 404 permits the substitution, for the requirements of section 517 of the act, of the requirements, standards, and procedures of the World Bank for determining the feasibility of the project, and the adequacy of cost estimates, engineering plans, and studies.

(3) Section 404 permits the substitution, for the requirements of section 103 of the Mutual Security Appropriation Act, 1960, of the requirements, standards, and procedures of the World Bank for determining the feasibility of flood control, irrigation, and water resources projects.

(4) Section 404 provides the President with the authority to waive the 50–50 shipping requirement of section 901(b) of the Merchant Marine Act of 1936 whenever he determines that its provisions cannot be fully satisfied without seriously impeding the United States participation in the project.

From the viewpoint of United States foreign policy this is a most important provision. The significance of the Indus River Basin project lies in its possibilities for settling the longstanding dispute between Pakistan and India that reached a dangerous stage when the British withdrew and the Indian subcontinent was divided in 1947. Since that time both countries have maintained an armed truce with occasional flareups that reveal the underlying bitterness. This condition has impeded the development efforts of both countries and has offered a potential opening for Communist exploitation. The Indus Basin project could mark a turning point in the history of South Asia. A refusal by Congress to approve this provision would inevitably make necessary a new, and time-consuming, approach to the whole problem of stability in the area.

The Indus River and its five tributaries drop from the Himalayas to the parched lowlands of Pakistan and provide West Pakistan with its source of irrigation. Under the British the Indus waters were developed into the greatest irrigation system in the world. The partition of India and Pakistan in 1947 divided the system into two parts, with India in control of the upstream waters. India has wanted to expand

its use of these waters through various irrigation projects. Pakistan has feared that in the process downstream areas in its own territory would be deprived of essential water.

The dispute over the use of the Indus waters has been one of the major points of friction between the two countries. Late in 1951 the World Bank offered the two parties its good offices to help find a mutually agreeable solution. The offer was accepted and negotiations began under Bank auspices in 1952. These negotiations resulted in the proposal which both parties have agreed upon in principle.

The proposal provides that India shall have the use of the waters of the three eastern rivers—the Ravi, Beas, and Sutlej—and that the downstream irrigated areas in Pakistan formerly supplied with water from these three rivers shall in the future be supplied with water brought from the three western rivers—the Indus, Jhelum, and Chenab—through a series of diversion and link canals. It is estimated that, when completed, additional irrigated acreage will be 4.8 million in Pakistan and 4.4 million in India. The Bank also estimates that the power installations will not only be able to pay for themselves but also 40 to 50 percent of the fixed and operating costs of dams.

Because of the heavy cost of the Pakistan portion of the plan, the Bank has proposed that financial assistance for works in that country be supplied by the Bank and by a group of friendly countries. This assistance will be contributed to a proposed Indus Basin Development Fund, to be administered by the Bank itself. In the case of India the scale of works is such as to permit specific bilateral financing.

India and Pakistan will enter into an Indus Waters Treaty governing settlement of the issue. Agreement on the terms of the treaty is expected within the next few months. Its signature will probably coincide with the receipt of assurances that the outside financial aid required to carry out the project will be forthcoming, subject to appropriate parliamentary or congressional action.

The total cost of the system is estimated at the equivalent of slightly more than $1 billion, partly in foreign exchange and partly in local currencies. Foreign exchange grants from Australia, Canada, Germany, New Zealand, the United Kingdom, and the United States will total $307 million, of which the United States share is $177 million. Two foreign exchange loans will be made to Pakistan, $70 million by the United States and $80 million by the World Bank. Two such loans will be made to India, $33 million by the United States and $23 million by the World Bank. In addition the United States will lend Pakistan the local currency equivalent of $200 million and grant to Pakistan the equivalent of $35 million. In short, the planned United States portion of the project will be $515 million, of which $212 million will be in grants ($177 million in dollars and $35 million in local currency) and $303 million will be in loans ($103 million in dollars and $200 million in local currency). Should the project get underway in the next fiscal year, the United States plans to make available $74.6 million in dollars of which $4.6 million will be in grants and $70 million in loans, and a grant of $11.5 million in local currency, a total of $86.1 million.

United States participation in the Indus project will be formalized by the signature of a multilateral financial agreement. This will expressly provide that the United States commitment to contribute funds will be subject to appropriations made by Congress. The

agreement will provide for the creation of an Indus Basin Development Fund to be administered by the World Bank. The Fund and its assets and accounts are to be kept separate and apart from all other assets and accounts of the Bank.

Under the agreement, it is the duty of the Administrator before the beginning of each half year to notify each party of the assistance required to be contributed to the Fund to cover estimated disbursements of the Fund during each period. Funds are to be disbursed by the Administrator to the Government of Pakistan upon written application by the latter to finance agreed items of equipment, supplies, and services required on the project. Pakistan is required to provide such documentation and other evidence in connection with such applications as is required by the Administrator in accordance with the Bank's usual procedures.

All equipment, supplies, and services required for the project are to be procured on the basis of international competition under arrangements satisfactory to the Administrator, except as the Administrator shall otherwise agree on grounds of efficiency or economy.

The Bank is enjoined to exercise the same care in the administration and management of the Fund and in the discharge of its other functions under the agreement as it exercises in respect to the administration and management of its own affairs.

A matter of particular interest to the committee is the provision in the amendment that permits the use of funds for the project in accordance with requirements, standards, or procedures established by the Bank. These concern completion of plans and cost estimates and determination of feasibility in lieu of the requirements, standards, or procedures prescribed by section 517 of the act and section 103 of the Mutual Security Appropriation Act, 1960.

The principal differences are as follows:

(1) *Engineering and Cost Standards.*—The difference between the standards of the World Bank and those of the Development Loan Fund and ICA is essentially one of timing. Before any part of the project is financed by the Bank, engineering plans, specifications, and detailed cost estimates for that part of the project will be prepared by the consulting engineers and approved by the Bank. The DLF and ICA apply much the same standards. The difference is that under DLF and ICA procedures they would themselves have to be satisfied that basic engineering and feasibility surveys for all parts of the project are completed prior to obligation of funds for the project whereas in the case of the Indus project the DLF and ICA would obligate, relying on the Bank's review and approval of engineering plans at a later stage, but before funds are actually disbursed by the Bank.

(2) *Cost-Benefit Standards.*—The World Bank has already prepared an initial study of the works in Pakistan and India which indicates that a favorable benefit-to-cost ratio will be yielded by the Indus Basin development plan, strictly on economic and technical grounds and without regard to the substantial political benefits envisioned. The World Bank is currently conducting further economic studies designed to refine this analysis that will more nearly approximate the standards required by section 103 of the Mutual Security Appropriation Act, 1960.

(3) *Procurement Standards.*—The World Bank will make disbursements for imported equipment, supplies, and construction services on the basis of international competition. ICA would have applied essentially the same standards. The DLF would have placed primary emphasis on United States purchases. It should be noted that three of the four firms already engaged in engineering surveys are American firms.

The treaty between India and Pakistan cannot be concluded unless the signatories are assured that the financial arrangements worked out with considerable effort by the various contributing countries will be put into effect and that the contributing countries will make their contributions in the amounts and in the manner specified in the agreement. Enactment of section 404 is required both to provide an indication of congressional approval of the plan and to permit the United States contribution to the Indus Basin Fund to be made in the manner contemplated in the Financing Agreement, subject to the necessary appropriations.

The plan for the settlement of this longstanding dispute over the use of the Indus waters has been accomplished after many years of difficult negotiations. Failure to secure final settlement, after the prolonged negotiations conducted by the Bank, may well delay for an indeterminate time the resolution of an issue that has imperiled the relations between India and Pakistan. The plan drawn up by the World Bank complements our own bilateral economic aid programs to the two countries. Its accomplishment will contribute greatly to political stability and economic development in South Asia.

Section 204(f), amending section 405: Migrants, refugees, and escapees

Paragraph (1) amends subsection (c) to authorize an appropriation of $1,500,000 for fiscal year 1961 as the United States contribution to the program of the United Nations High Commissioner for Refugees (UNHCR).

The United Nations High Commissioner for Refugees was authorized by a United Nations General Assembly resolution of December 2, 1957, to conduct a program to succeed the United Nations Refugee Fund (UNREF) which ended December 31, 1958. The UNHCR's program is flexible, designed to avoid rigid long-term plans by enabling governments to determine on an annual basis the specific refugee problems to which they wish to contribute during the particular year and which can be eliminated or reduced by international effort during that year.

During 1959 and 1960 the new program was largely engaged in completing certain unfinished undertakings of the old UNREF program including primarily the camp clearance program. Since 1960 will virtually complete the camp clearance program, the 1961 program will concentrate upon selected categories of refugees for whom material aid is considered to be an international responsibility. These selected categories include particularly refugee families with children living under substandard conditions and physically handicapped or aged refugees. Aid will also be continued for refugees of European and Jewish origin from the Near East and to meet any new refugee emergencies which may arise.

The $1.5 million requested for this program is an increase of $400,000 over the amount appropriated for last year and reflects

increased program activity by UNHCR for refugees in Morocco and Tunisia who fled Algeria.

Paragraph (2) amends subsection (d) to authorize an appropriation of $3,500,000 for the United States Escapee Program (USEP) for fiscal year 1961, a reduction of $1,700,000 from the amount authorized in 1960. This is made possible by a reduced caseload activity anticipated for the calendar year 1961.

Through its specialized services, the escapee program provides assistance to Soviet and satellite escapees in Europe and the Middle East and Chinese refugees in Hong Kong from initial reception, interim care, and maintenance to resettlement. Since its inception in 1952 USEP has provided assistance to over 400,000 escapees.

There were approximately 25,000 recent escapees registered with the USEP in Europe and the Near East on January 1, 1960. Escapees who require prompt attention are arriving in the West at the rate of 650 per month. It is estimated that the 1961 escapee program will register 7,700 new escapees and that an overall caseload reduction of about 9,300 will be achieved.

The escapee program serves United States interests by encouraging continuing liberal asylum and assistance policies on the part of governments of asylum countries and promoting stability in asylum areas through the resettlement of politically vulnerable groups.

Section 204(g), amending section 406: Children's welfare

Section 406 authorizes an appropriation of $12 million for contributions to the United Nations Children's Fund (UNICEF). This is the same amount authorized and appropriated for the current fiscal year. Thus the amendment changes only the year, substituting 1961 for 1960.

It is estimated that the percentage of the United States contribution to total government contributions will be 46 percent in 1961 compared to 48 percent in 1960. In 1959, every $1 allocated by UNICEF generated in the receiving countries an average of an additional $2.50 to carry out the programs.

The estimated UNICEF allocations for calendar year 1961 are $30.1 million. Contributions of $12 million from the United States and $14.1 million from other governments will leave a balance of $3 million, which it is hopefully anticipated can be raised from private sources.

UNICEF is currently assisting 371 programs in 104 countries and territories. Of the estimated 1 billion children in the world, some three-quarters live in areas where poverty and disease are common and where, lacking adequate food, clothing, shelter, and protection against disease, infant and maternal mortality rates are high. UNICEF extends tangible aid principally in the form of supplies not available within the assisted countries.

In the principal campaigns which UNICEF aided in 1960, more than 15 million children and mothers were protected against malaria; 14 million young persons were vaccinated against tuberculosis; some 21½ million children and mothers were treated for yaws, and more than 7 million children and mothers received milk through school and maternal and child welfare centers.

Section 204(h), amending section 407: Palestine refugees

Section 204(h) amends section 407 of the act, relating to Palestine refugees in the Near East, in two respects. First, it deletes the obsolete reference to an authorization for an appropriation for the fiscal year 1960 and provides for an authorization for an appropriation of $18,500,000 for fiscal year 1961. Second, it strikes out the proviso in the first sentence which stipulates that 10 percent of the funds appropriated pursuant to this section shall be available only for repatriation and resettlement. This proviso was deleted last year by the House, on the recommendation of the committee, in acting on the Mutual Security Act of 1959. The Senate did not delete the proviso. The committee of conference agreed to reduce from 15 to 10 percent the amount to be earmarked.

Through a combination of legislative and executive action, United States contributions to the United Nations Relief and Works Agency (UNRWA) are subject to certain limitations: (1) Such contributions will not exceed 70 percent of the total contributions from all sources; (2) pursuant to the proviso in section 407 (which will be removed by this amendment) 10 percent of the funds appropriated for our contribution to UNRWA shall be available only for repatriation or resettlement of the refugees; and (3) in determining whether or not to continue furnishing assistance for these refugees, the President shall take into account whether Israel and the Arab host governments are taking steps toward the resettlement and repatriation of the refugees. This latter authority has been delegated to the Secretary of State who has determined that the United States will continue to furnish assistance for Palestine refugees.

The refugee population has gradually increased during the past several years as a result of generally improved sanitary conditions and the availability of a steady ration of food. The most recent count indicates about 1,042,000. The relief portions of UNRWA's activities are still the most important. Admittedly it is no solution. The need for large-scale economic assistance programs capable of making refugees self-sustaining remains most urgent. However, the failure of members of the United Nations, other than the United States and the United Kingdom, to contribute significantly to the programs and the unwillingness of the countries directly concerned to agree on the projects have frustrated UNRWA efforts to date. Although UNRWA's budget for calendar year 1960 to meet program requirements is $38.7 million, it is estimated that contributions, including the United States pledge of $23 million, will total only $33 million, which falls considerably short of meeting minimum needs.

The 14th United Nations General Assembly adopted Resolution 1456 which (*a*) extended UNRWA for 3 years with a review at the end of 2 years, (*b*) called on the United Nations Palestine Conciliation Commission (United States, Turkey, and France) to make further efforts to secure implementation of repatriation and compensation for Palestine refugees, (*c*) called on host governments to take appropriate steps to rectify refugee relief rolls, (*d*) urged member governments to seek to increase their contributions to UNRWA to enable it to carry out its program, and (*e*) called on UNRWA to continue its relief programs and its programs of self-support and vocational training.

For fiscal year 1960 Congress appropriated new funds totaling $25 million. The 1961 authorization provides new money totaling only $18,500,000. With the deletion of the proviso earmarking funds for repatriation or resettlement, these previously pledged but unused funds which now total $6,250,000, plus an additional $250,000 of previously unpledged funds, will be used to meet the estimated United States requirement of $25 million. An additional sum, approximating that amount now set aside, will be required to execute fully the 1961 program if the proviso should not be deleted.

The contribution authorized by this section is based on past annual requirements of the Agency, taking into account the increased cost of food, supplies and equipment, and an increasing refugee population.

Section 204(i), amending section 409(c): Ocean freight

Subsection (c) authorizes the payment of ocean freight charges on supplies donated to American voluntary agencies. During fiscal year 1960 supplies valued at nearly $41 million will be shipped and distributed at a cost to the Government of $2.3 million. Each dollar appropriated for this purpose is multiplied nearly 20 times in terms of the value of relief goods it delivers. These goods include, specifically, food, clothing, medical and hospital supplies, handtools for trades and agriculture, and other self-help supplies. Most of these goods are donated in kind without any cash contribution to cover the necessary delivery costs to the country of destination.

The American agencies for their part bear the cost of solicitation, processing, warehousing, packaging for export, transportation to United States ports, and the cost of field representatives in foreign countries to supervise distribution. These same agencies are also moving substantial quantities of United States Department of Agriculture surplus commodities into their relief channels abroad. The payment of ocean freight charges on these surplus commodities is now funded under authority of title II, Public Law 480, and mutual security funds are not programed for this purpose.

The committee recommends an authorization of $2 million for the coming year. This represents a decrease of $300,000 from last year's authorization, but it is based on actual program estimates by the participating voluntary agencies. This decrease reflects a slight change in the nature of the items to be shipped. Although the total value of shipments will increase to $47 million in fiscal year 1961, their overall weight will decrease. The program has been operating in about 40 countries.

No procurement costs to the United States Government are involved.

Section 204(j), amending section 411: Administrative and other expenses

Section 204(j) amends section 411 of the act which relates to administrative and other expenses in two respects. Paragraph (1) amends subsection (b) by deleting the obsolete authorization for an appropriation of $39,500,000 for fiscal year 1960 and substituting an authorization for an appropriation of $40 million for fiscal year 1961. This authorization excludes the administrative expenses for military assistance, the Development Loan Fund, and those provided for the Department of State in section 411(c) of the act. Paragraph (2) amends subsection (c), which relates to administrative and other expenses of the Department of State, by authorizing an appropriation to the President for such expenses instead of to the Department of State, in conformity with the other appropriations authorized by the act.

For the current fiscal year an appropriation of $38 million was made for ICA administrative expenses. To this was added $429,000 which was continued available from the previous fiscal year for a total availability of $38,429,000 for fiscal year 1960 on a comparable basis. Including an anticipated carryover of $300,000 the comparable amount available for fiscal year 1961 will be $40,300,000, an increase of $1,871,000.

The increase is attributable principally to the creation of new missions and to the strengthening of existing staffs overseas. The largest single increment is planned for Africa which reflects the greater attention being given to that area. Increases are also planned for the Near East and South Asia, the Far East, and, to a lesser degree, Latin America. In line with the reduction of nonmilitary aid to Europe a further contraction of personnel is anticipated for that area. The balance of the increase will be used to provide a slight increase in permanent positions in Washington, for administrative support costs furnished by the Department of State and the administrative costs of participating agencies, to finance periodic pay increases of American employees and wage-scale increases for foreign nationals, and to finance the new Federal health insurance program. Against these increases will be a decrease of $500,000 in Washington rent costs.

Section 204(k), repealing section 412: President's special education and training fund

Section 412 of the act authorizes the use, for each of the fiscal years 1960 through 1964, of $10 million of the funds appropriated pursuant to the Mutual Security Act for (1) financing studies, research, instruction, and other educational activities of citizens of underdeveloped countries in educational institutions in the United States, Puerto Rico, and the Virgin Islands; and (2) for the training of people of underdeveloped countries in skills which will contribute to economic development. This section, inserted in the Mutual Security Act in 1959, was not in the bill as it passed the House but was accepted in conference. The Mutual Security Appropriation Act, 1960 (Public Law 86–383), section 108, prohibits the use of any funds in that act to carry out the provisions of section 412.

The executive branch has recommended repeal of section 412 for the reasons (1) that the portion relating to technical cooperation simply duplicates the general authorization for technical cooperation and thus is unnecessary and (2) that the other portion requires a diversion of mutual security funds to use for activities (the information and educational exchange programs) which are not within the mutual security program and which properly should be financed from funds requested and appropriated under separate legislation for those activities. The committee has therefore adopted the recommendation of the Executive that the authorization be repealed.

Section 204(l), amending section 419(a): Atoms for peace

Section 204(1) amends section 419(a) of the act, which relates to atoms for peace, by deleting the obsolete authorization for an appropriation for fiscal year 1960 and substituting an authorization for an appropriation of $3,400,000 for fiscal year 1961.

The program for next year involves five major items. The first is a continuation of the program initiated 3 years ago to assist other nations, on a bilateral or multilateral basis, in acquiring research reactors by funding up to one-half of their cost. In no case may the

United States contribution to the cost of a reactor for any one country exceed $350,000. To date 19 reactors have been financed under this program of which 4 are in operation. Two applications are being processed. Since most of the nations that can take advantage of this assistance have done so, a deadline of July 1, 1960, has been set for receipt of further requests for grants. Any requests after that date, if approved, will be funded from the regular country program funds of the mutual security appropriation.

The second component of the program includes grants to procure laboratory equipment, subcritical assemblies for basic training, machines for medical centers, and other specialized apparatus to further the application of nuclear energy for peaceful purposes.

The third part includes funds for symposia such as the highly successful inter-American symposium on peaceful applications of nuclear energy and for the loan, on request, of United States experts to individual countries on survey-type assignments.

The fourth category permits continued United States support to the International Atomic Energy Agency. The budget of the latter is made up of assessments of the 70 members. For calendar year 1960 it amounts to $5.8 million. The majority of the Agency's technical programs are funded through the operational budget made up of voluntary contributions. The annual goal of this budget is $1.5 million. The United States contributes half of this amount by pledging $500,000 and making available another $250,000 to match contributions paid in by member states after the $1 million mark is reached.

The fifth element in the program is a provision for a continuation of the IAEA's fellowship program. To date 107 fellowships have been awarded for training in the United States. This program is administered by the National Academy of Sciences. For 1958 and 1959 applications numbered more than 800 with most of the applicants expressing a preference for training in the United States. This is a tribute to our leadership in the nuclear field.

Section 204(m), adding a new section 421: Loans to small farmers

This section states it to be United States policy to strengthen the economies of less developed nations by improving the agricultural methods and techniques and developing local programs of self-help and mutual cooperation in nations where the economy is essentially rural or based on small villages. A particular effort is to be made through loans of foreign currencies to associations of operators of small farms formed for the purpose of joint action designed to increase or diversify agricultural productivity.

It is the policy also that the maximum unpaid balance of loans made to any association under this section may not exceed the local currency equivalent of $25,000 at any one time and that the aggregate unpaid balance of all loans made under this section may not at any one time exceed the equivalent of $10 million in local currencies.

The committee gave particular consideration to the experience of one of its members who had been active in the founding in the State of Punjab in India more than a generation ago of two associations of small farmers which have been outstandingly successful. These associations were able to borrow from government banks and, by providing capital at reasonable interest rates, were able to release the operators of small farms from the grip of the moneylenders. The operation of these

associations marked the beginning of a new era in the agriculture of the region.

In countries where the economy is predominantly rural, progress must begin on the village level. A modest beginning of loans from accumulated foreign currencies to small farmer associations in a few villages will help to set an excellent example. Small farmers in the United States have benefited from such loans and this project will pass on the American spirit of self-help aided by needed credit to peoples abroad.

This amendment is not intended in any way to supersede, to enlarge, or to restrict authority to provide assistance for agricultural purposes, including assistance to associations of small farmers, under other authority already contained in the Mutual Security Act or other acts. Its purpose is to express the policy of the United States as favoring loans of this nature in an effort to stimulate and encourage the development of farm cooperatives along the lines indicated.

CHAPTER III. CONTINGENCY FUND

Section 301, amending section 451(b): Contingency Fund

Section 301 authorizes $100 million for a Contingency Fund provided for in section 451(b) of the Mutual Security Act of 1954, as amended. This is $75 million less than the Executive request, and $55 million less than was authorized and appropriated last year.

The Contingency Fund is not a separate category of assistance. It is a special fund. It is needed to deal with two kinds of situations: (*a*) Those which are known but not in sufficient detail to properly present in one or more of the functional programs at the time of legislative congressional presentation; (*b*) those which are not known but, experience has shown, may arise during the course of the new fiscal year.

The Fund provides essential flexibility in a program of this magnitude. Such flexibility can only be accomplished by authorizing transferability of funds, which is provided for under conditions specified in section 501, or by including contingency items in the regular programs, as opposed to a separate contingency fund. Neither is as effective management as the general Contingency Fund, because, as experience has shown, in both cases planning, programing, and operations of the regular programs are adversely affected when contingency requirements arise.

The money in this Fund may be used for furnishing military assistance, defense support, special assistance, and technical cooperation or any of the other purposes of the act except for the Development Loan Fund. Section 451(b) authorizes $100 million of the Contingency Fund to be used each fiscal year under the authority in section 451(a) which empowers the President to waive appropriate statutory requirements when he determines that such use is important to the security of the Nation.

It is this Fund which has financed United States assistance in the past to Taiwan following the Quemoy crisis, to Jordan as a result of the Lebanon crisis, and to such countries as Nepal and Morocco as a result of natural disasters—earthquakes, typhoons, or plagues.

Following careful examination of the experience under this section of the act the committee felt that $100 million satisfactorily met the authorization required for this Fund.

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CHAPTER IV. GENERAL AND ADMINISTRATIVE PROVISIONS

Section 401(a), repealing section 504(d): Small machine tools and other industrial equipment

Section 504(d) of the act authorizes the President to use not to exceed $2,500,000 of the funds appropriated pursuant to section 451(b)—Contingency Fund—during fiscal year 1960 for the purpose of making available to foreign small business concerns in underdeveloped countries or to foreign government organizations established to help such concerns in underdeveloped countries, machine tools, industrial equipment, and other equipment owned by agencies of the United States Government.

This section, inserted in the Mutual Security Act in 1959, was not in the bill as it passed the House but was accepted in conference. The Mutual Security Appropriation Act, 1960 (Public Law 86–383), section 109, prohibited the use of any funds in that act to carry out the provisions of section 504(d).

Since there is already adequate authority in the Mutual Security Act of 1954. as amended, to carry out the activities authorized by section 504(d), the committee has therefore adopted the recommendation of the Executive that the authorization be repealed.

Section 401(b), amending section 505(a): Loan assistance and sales

Section 505(a) of the Mutual Security Act provides in part that assistance provided to foreign nations on terms of repayment may be repaid (subject to agreement) in foreign currencies or by transfer to the United States of materials required for stockpiling or other purposes. The other purposes are not specified.

This amendment gives specific authorization to utilize, for assistance under the act in accordance with the provisions of the Mutual Security Act applicable to such assistance, any commodities, equipment, and materials transferred to the United States as repayment for mutual security assistance to other nations.

In effect, the amendment authorizes assistance to be made available on a barter basis. Adoption of the amendment will, for example, facilitate arrangements for the manufacture of certain types of military equipment in foreign countries. In a number of cases the United States desires to finance the manufacture of a particular weapon or item of equipment in a foreign country and to receive payment for such financing in the form of deliveries of the manufactured item, which will then be turned over to another nation receiving United States military assistance.

Unless this amendment is enacted, it would be necessary for the United States to receive repayment in the currency of the country involved and then to purchase the desired military equipment with such currency. Under existing procedures, it is necessary to obligate or reserve funds to finance the sales transaction to the foreign country, to obligate an equivalent amount of funds to finance the purchase from that country, and then to deobligate this latter amount when the sales proceeds are used to pay for the purchase. Under the new authority, the bookkeeping will be simplified and only the net amount of funds will be programed.

Section 401(c), amending section 513: Notice to legislative committees

Section 401(c) amends section 513 of the act, which relates to notice to legislative committees, so as to require that the appropriate congressional committees shall be notified of any determination under the last clause of the second sentence of the new section 404 with respect to the 50–50 shipping requirement (sec. 901(b) of the Merchant Marine Act of 1936, as amended).

Section 401(d), amending section 517: Completion of plans and cost estimates

This amendment provides that nonmilitary assistance shall be given for programs and projects hereafter proposed involving financing of the construction of flood control, reclamation, and other water and related land resource development only when the benefits to be derived from such projects exceed the costs. The calculation of such benefits and costs is required to follow the pattern set forth in Bureau of the Budget Circular A–47, December 31, 1952.

The purpose of the amendment is to assure that before United States funds are committed to a project a comprehensive compilation and analysis of anticipated costs—both direct and indirect—has been made by qualified engineers and technicians, together with an equally comprehensive and well-qualified estimate of anticipated benefits—both direct and indirect. The standards and criteria of Circular A–47 are expected to be adhered to to the extent necessary to assure the inclusiveness and adequacy of the cost benefit determination. At the same time, it is recognized that in foreign countries circumstances may be sufficiently different (including a lack of statistics and legal and institutional differences) from those in the United States that a literal compliance with the conditions of the circular may be impossible.

The committee is convinced that had this requirement been in effect in prior years a number of projects which have not turned out as intended would have been planned on a sounder basis or might not have been started, with a significant saving to the United States taxpayer and a perceptible enhancement of United States prestige.

Section 401(e), amending section 527: Employment of personnel

Section 401(d) amends section 527 of the act, relating to the employment of personnel in three respects.

Paragraph (1) amends subsection (b) which relates to employment of personnel in the United States, by increasing (*a*) from 70 to 74 the number of personnel employed in the United States on programs authorized by the act who may be compensated without regard to the provisions of the Classification Act of 1949, as amended, and (*b*) the limitation on the number of such personnel from 45 to 49 within the above-mentioned ceiling, who may be compensated at rates higher than those provided for grade 15 of the Classification Act general schedule but not in excess of the highest rates provided for grades in such general schedule. It leaves untouched that provision of law that permits 15 of the 45 to receive compensation at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000.

Section 527(b) permits compensation of 45 individuals above GS–15, of whom 30 may be paid the equivalent of supergrades—grades 16, 17, and 18—and 15 may be paid in excess of GS–18 but not in excess of

$19,000. At the present time 43 of the 45 positions are filled. The Office of the Coordinator for Mutual Security in the Department of State has 5, the Office of the Inspector General and Comptroller in the Department of State has 3, the Department of Defense has 4, and ICA has 31. Although the law permits 15 of the above positions to receive a maximum salary of $19,000, only 3 persons presently receive that salary, 2 of whom are in ICA and 1 in Defense.

Last year Congress increased the supergrade positions from 35 to 45. This year the Executive requested eight additional supergrade positions. The committee recommends only four. The increase is made necessary by the establishment of the Office of Inspector General and Comptroller and a decision in the executive branch that the personnel needs of the Development Loan Fund should be met out of the mutual security programwide supergrade pool. Additionally the Office of the Coordinator for Mutual Security, the Department of Defense, and ICA have identified top management positions that must be filled by highly qualified individuals. The committee believes that some of the positions which the Executive requested can be filled by suitably qualified Foreign Service personnel. It noted also that two of the authorized positions were unallocated. The committee is of the opinion that many of the problems in the administration of the program are those of management. It is desirous of strengthening that portion of the program. In recommending the increase of four new positions it expects that they will be filled only when, in the considered judgment of the Coordinator, topflight and experienced individuals are found.

Paragraph (2) amends subsection (c), which relates to employment outside the United States, in two respects. First, it vests the authority of subsection (c) in the President, in conformity with the general structure of the act. Second, it provides that Foreign Service Reserve officers shall receive in-class promotions in accordance with such regulations as the President may prescribe. Under section 625 of the Foreign Service Act these officers, after having been in a given class for 9 months or more, receive an in-class promotion on July 1 of each fiscal year. This means that personnel appointed before October 1 in any given year (i.e., more than 9 months prior to July 1) receive an in-class promotion on the next July 1, while those appointed after October 1 must wait a full year following the next July 1. It is contemplated under the proposed authority that Foreign Service Reserve officers appointed or assigned pursuant to section 527(c)(2) of the act may receive in-class promotions on the anniversary dates of their appointment or assignment or of their last in-class promotion.

Paragraph (3) amends subsection (d), which relates to appointment of alien employees outside the United States, to authorize the Secretary of State to appoint aliens without the statutory requirement of a request from the Director of the Foreign Operations Administration. By virtue of Executive Order 10610 the functions of the Director of the Foreign Operations Administration were vested in the Secretary of State.

Section 401(f), amending section 531: Security clearance

The present language in section 531 pertaining to security clearance for employees of ICA is an outgrowth of procedures and standards provided under the Economic Cooperation Act of 1948 and the Act for International Development in 1950. On April 27, 1953, the

President issued Executive order 10450 dealing with security requirements for government employment. The Executive order is more detailed than the language in section 531 and sets forth the minimum type of information to be developed by investigations carried out under the order. It is applicable to ICA personnel. With the adoption of this amendment the standards and procedures followed by ICA with regard to security clearance will be precisely the same as those followed by all other government agencies including those administering other elements of the mutual security program.

Section 401(g), amending section 533A(c): Inspector General and Comptroller

In 1959 the committee initiated an amendment to the Mutual Security Act, establishing a new Office of the Inspector General and Comptroller with a staff, funds, and independence sufficient to enable it to carry on a continuous scrutiny and evaluation of the operations of the program. The committee has been disappointed in the time it has taken the new Office of Inspector General and Comptroller to get organized and begin operations.

This subsection is an amendment to strike out from the duties of the Inspector General and Comptroller listed in section 533A(c) the duty of "designing the form and prescribing the financial and statistical content of the annual program presentation to the Congress."

The elimination of this duty would result in the Inspector General and Comptroller being able to devote more time to seeking out deficiencies in mutual security operations.

This amendment also would make it unnecessary for him under any circumstances to defend the program or to explain its shortcomings. His job is to discover waste and inefficiency in the program and to see that corrective action is initiated. His energies should not be diverted by other responsibilities. It is the purpose of this amendment to enable him to concentrate on his primary objectives.

Section 401 (h), amending section 534(a): Reports

This section amends section 534(a) of the act which relates to reports, so as to require a report by the President on operations under the Mutual Security Act once each fiscal year in lieu of the present requirement of a report each 6 months. It has happened that appropriations for the mutual security program have not been enacted into law until several months after the new fiscal year has elapsed. Thus the content of the semiannual report produced for the first 6 months of a fiscal year has not been as meaningful as the report issued for the last 6 months of the year. It is the committee's expectation that the annual report will be more informative and substantial than the semiannual reports.

Section 401 (i), amending section 537(a)(3): Provisions on uses of funds

Section 401(g) amends section 537(a)(3) of the act which relates to provisions on uses of funds. The purpose is to clarify the basis upon which ICA contracts with individuals, both Americans and aliens, to furnish technical advice and assistance to foreign governments subject to administrative and policy supervision and guidance by the ICA mission. This section does not pertain to contracts between ICA and universities, companies, or corporations. The Civil Service Commission has interpreted the provisions of contracts with individuals relat-

ing to ICA supervision and guidance as establishing an employer-employee relationship which normally may not be established by contract. The Commission has suggested that authority to enter into such contracts be clarified.

The determination whether a contract establishes an employer-employee or independent contractor relationship depends upon the terms of each contract. The contract specifies the degree of ICA supervision of the contractor, whether housing or office space is provided, and whether an end product, such as a report or design, is sought as opposed to continuing services. No problem arises where the individual and the host government enter into a contract financed by ICA.

The question arises in those cases where ICA rather than the host government enters into a contract with an individual technician and where the contract provides for ICA direction and supervision of the technician's activities in order to achieve the program objectives. ICA may become a party to the contract where the host government does not wish to enter into a contract with a foreign technician because it is unfamiliar with contracting procedures or where the technician himself may feel more secure with a United States Government contract. In certain situations the host country prefers a contractual arrangement rather than work by direct hire because of the particular activity; for example, revision of tax laws. In other cases the technician normally performs his work by contract rather than becoming a Federal employee.

The proposed language will make clear that such contracts with individuals for personal services will not result in the individual contractor being regarded as an employee of the United States for the purpose of any law administered by the Civil Service Commission such as the Classification Act and the retirement system. The authority also will be used, as is the present section 537(a)(3) of the act, to hire aliens by contract for other types of services abroad, such as custodial and housekeeping services.

Section 401(j), amending section 537(c): Construction or acquisition of facilities abroad

Section 537(c) of the Mutual Security Act includes authorization within a specified limit for the use of funds available for assistance under the act for construction or acquisition of essential living quarters, office space, and supporting facilities in Korea and in countries other than Korea for use of personnel carrying out activities under the act.

The existing cumulative ceiling for countries other than Korea is $2,750,000. The amendment increases this ceiling by $1,500,000 to $4,250,000.

The existing authorization has all been allocated or earmarked for specific projects. The increase is made necessary by the fact that mutual security operations are being extended in the less developed areas (including Africa) where living quarters and office facilities do not exist, as well as the fact that it is necessary for the United States to provide new housing and offices in the new Pakistan national capital (Rawalpindi). It is planned that in a few locations school facilities for children of United States personnel will be provided.

Section 401(k), adding a new section 552: Assistance to Cuba

The committee gave careful consideration to the question of continuing assistance to Cuba. The people of the United States have a deep and abiding friendship for the people of Cuba which they believe to be reciprocated. During the "markup" sessions the Subcommittee on Inter-American Affairs was requested to study the question of continuing assistance to Cuba and to report its recommendations to the full committee.

The subcommittee met for 2 days and made an exhaustive examination of existing technical assistance programs in Cuba, receiving additional information from officials of the Department of State as well as further information from the Department of Defense concerning a training program listed under military assistance.

The basic technical assistance programs had originally been negotiated with the government of President Prio in 1951, with extensions from time to time through negotiations between the International Cooperation Administration and Cuban officials at the ministerial level. $350,000 originally had been programed for technical assistance projects in Cuba during fiscal year 1961. The subcommittee learned that programs totaling $97,000 were no longer active, leaving active projects still programed for fiscal 1961 totaling $253,000.

In view of the present political situation in Cuba, United States military assistance has been suspended and none has been programed for fiscal year 1961. During the executive presentation the committee was furnished an expenditure figure under military assistance for fiscal year 1961 of $202,000. Upon investigation it developed that this figure was based on a preliminary estimate which has since been corrected to $184,877. It does not cover any activity proposed for fiscal year 1961. It represents delayed billing for six Cuban cadets who have been receiving their courses in the United States. Two of these completed their courses in February 1960 and the other four will complete their training in May 1960. The subcommittee was informed that preparation and processing of the billing for this training runs 6 to 9 months after completion of the training.

The subcommittee felt that the question of terminating the technical assistance programs should be decided by the full committee, and recommended language for that purpose in the event the committee so decided. The full committee adopted and incorporated in the bill as section 552 the language recommended by the subcommittee.

The committee is aware of the possibility that its action in recommending present termination of the technical assistance programs in Cuba may be misconstrued. Nevertheless, the committee is keenly conscious of its responsibility in recommending the appropriation of the funds of American taxpayers and wishes to ensure their expenditure only for purposes that will promote our foreign policy objectives in a manner consistent with the national and hemispheric interest. The language adopted by the committee is intended to emphasize this deep concern and it is not indicative of a lessening of our traditional friendship for the people of Cuba.

CHAPTER V. TECHNICAL AMENDMENTS REFLECTING NEW LIMITS OF UNITED STATES

Section 501: Technical amendments

This section amends the various provisions of the Mutual Security Act which refer to the "continental limits of the United States" so as to make clear that references to the United States include all 50 States.

CHAPTER VI. AMENDMENTS TO OTHER LAWS

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954, AS AMENDED

Section 601(a), amending section 202: Famine relief and other assistance

This section amends section 202 of title II, Public Law 480, which relates to famine relief and other assistance, to permit the use of surplus agricultural commodities under title II to promote the economic development of undeveloped areas. No mutual security appropriation would be required since United States contribution in support of development projects would be in the form of grants of surplus commodities from stocks held by the Commodity Credit Corporation.

This amendment is identical to the amendment contained in H.R. 8609, a bill to amend Public Law 480 reported by the House Committee on Agriculture on August 15, 1959, and passed by the House on August 20, 1959. It was later eliminated in conference without explanation.

The amended language will enable the United States to undertake longer term programs in those underdeveloped countries where food consumption is low and underemployment is high. Currently title II authority is being used in several countries to donate surplus commodities on an emergency basis for community development-type projects. With this new authority, projects of a more lasting nature could be undertaken under circumstances in which there is more time for planning and arranging local financing needs.

A sufficient number of work projects have been operated on an emergency basis to assure that they are highly successful in terms of local popularity, enhancement of United States prestige, providing a means for the employment of surplus labor by erecting needed community facilities, and assisting in the movement of additional agricultural surpluses. For example, during the 6-month period ended December 31, 1959, 42,000 tons of wheat and feed grains have been shipped to Tunisia for emergency work projects, including the construction and renovation of earth dams, tree planting, building of firebreaks, and various soil conservation and reclamation activities. About two-thirds of the workers' wages are paid in United States grain and the remainder in cash contributed by the Tunisian Government.

In addition to work projects, there are other opportunities anticipated for using surplus commodities in bringing help to needy people. In many of the newly independent African countries, development might be stepped up considerably by providing commodities which can be sold by revenue-short governments to finance public programs such as those in the field of education.

Section 601(b), amending section 203: General average contributions arising out of ocean transport

Section 601(b) amends Public Law 480, title II, section 203. Section 203 authorizes the use of Public Law 480 funds to pay ocean freight charges on surplus agricultural commodities furnished to foreign nations to meet famine or other urgent or extraordinary relief requirements.

This amendment authorizes the use of such funds to pay certain charges arising from losses of a ship's cargo. When a portion of a ship or ship's cargo is sacrificed to save the remaining cargo or the ship, the loss is shared among all owners of cargo as well as other parties in the sea venture.

Title to agricultural commodities made available under title II of Public Law 480 passes to the recipient country at the United States port. Consequently, the beneficiary of a United States contribution for disaster relief has on occasion been presented with a bill for general average claims. A claim presented to a foreign government under such circumstances tends to be embarrassing to the United States. The United States desires, in the few cases when such claims arise, to be able to meet them from the funds available for paying ocean freight charges.

MUTUAL SECURITY ACT OF 1959

Section 602, repealing section 501(b): International cooperation in health

Section 501(b) of the Mutual Security Act of 1959 (Public Law 86–108) authorizes the use of $2 million of the funds appropriated pursuant to section 451(b) of the Mutual Security Act of 1954 to determine the feasibility of future intensive programs for dealing with international disease problems. This provision was not in the bill which passed the House and represents a compromise arrived at in conference.

The Mutual Security Appropriation Act, 1960 (Public Law 86–383), section 110, contains a limitation that none of the funds appropriated could be used to carry out the provisions of section 501 of the Mutual Security Act of 1959.

Since there is already adequate authority in the Mutual Security Act of 1954, as amended, to carry out the activities authorized by section 501(b), the Committee on Foreign Affairs has adopted the recommendation of the Executive that this authorization be repealed.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

The Mutual Security Act of 1954, as Amended

AN ACT To promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Security Act of 1954." This Act is divided into chapters and titles, according to the following table of contents:

TABLE OF CONTENTS

Chapter I—Military Assistance
Chapter II—Economic Assistance
Title I—Defense Support
Title II—Development Loan Fund
Title III—Technical Cooperation
Title IV—Special Assistance and Other Programs
Chapter III—Contingency Fund
Chapter IV—General and Administrative Provisions

Sec. 2. Statement of Policy.—(a) It is the sense of the Congress that peace in the world increasingly depends on wider recognition, both in principle and practice, of the dignity and interdependence of men; and that the survival of free institutions in the United States can best be assured in a worldwide atmosphere of expanded freedom.

(b) Through programs of assistance authorized by this Act and its predecessors, the United States has helped thwart Communist intimidation in many countries of the world, has helped Europe recover from the wounds of World War II, has supported defensive military preparations of nations alerted by Communist aggression, and has soundly begun to help peoples of economically underdeveloped areas to develop their resources and improve their living standards.

(c) Programs authorized by this Act continue to serve the following principal purposes:

(1) The Congress recognizes the basic identity of interest which exists between the people of the United States and the peoples of other lands who are striving to establish and develop politically independent and economically viable units, and to produce more goods and services, and to improve ways of living by methods which reflect the popular will, and to realize aspirations for justice, for education, and for dignity and respect as individual human beings, and to establish responsible governments which will cooperate with other like-minded governments. The Congress declares it to be a primary objective and need of the United States, and one consistent with its tradition and ideals, to share these strivings by providing assistance, with due regard for our other obligations, to peoples willing to work energetically toward these ends.

(2) The Congress recognizes that the peace of the world and the security of the United States are endangered so long as international communism and the nations it controls continue by threat of military action, by the use of economic pressure, and by internal subversion, or other means to attempt to bring under their domination peoples now free and independent and continue to deny the rights of freedom and self-government to peoples and nations once free but now subject to such domination. The Congress declares it to be the policy of the United States to continue so long as such danger to the peace of the world and to the security of the United States persists, to make available to other free nations and peoples upon request assistance of such nature and in such amounts as the United States deems advisable compatible with its own stability, strength, and other obligations, and as may be needed and effectively used by such free nations and peoples to help them maintain their freedom.

(d) It is the sense of the Congress that inasmuch as—

(1) the United States, through mutual security programs, has made substantial contributions to the economic recovery and rehabilitation of the nations of Western Europe; and

(2) due in part to those programs, it has been possible for such nations to achieve complete economic recovery and to regain their military strength; and

(3) certain other friendly nations of the world remain in need of assistance in order that they may defend themselves against aggression and contribute to the security of the free world;

those nations which have been assisted in their recovery should, in the future, share with the United States to a greater extent the financial burden of providing aid to those countries which are still in need of assistance of the type provided under this Act.

(e) It is the sense of the Congress that assistance provided under this Act shall be administered so as to assist other peoples in their efforts to achieve self-government or independence under circumstances which will enable them to assume an equal station among the free nations of the world and to fulfill their responsibilities for self-government or independence. To this end, assistance shall be rendered where appropriate and feasible in such a way as to promote the emergence of political units which are economically viable, either alone or in cooperation with neighboring units.

(f) It is the sense of the Congress that inasmuch as—

(1) the United States favors freedom of navigation in international waterways and economic cooperation between nations; and

(2) the purposes of this Act are negated and the peace of the world is endangered when nations which receive assistance under this Act wage economic warfare against other nations assisted under this Act, including such procedures as boycotts, blockades, and the restriction of the use of international waterways;

assistance under this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be administered to give effect to these principles, and, in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this Act or arising under the Agricultural Trade Development and Assistance Act of 1954, as amended, these principles shall be applied, as the President may determine, and he shall report on measures taken by the administration to insure their application.

Chapter I—Military Assistance

Sec. 101. Purpose of Chapter.—The Congress of the United States reaffirms the policy of the United States to achieve international peace and security through the United Nations so that armed force shall not be used except in the common defense. The Congress hereby finds that the efforts of the United States and other nations to promote peace and security require additional measures of support based upon the principle of continuous and effective self-help and mutual aid. It is the purpose of this chapter to authorize measures in the common defense, including the furnishing of military assistance to friendly nations and international organizations in order to promote the foreign policy, security, and general welfare of the United States and to facilitate the effective participation of such nations in arrangements for individual and collective self-defense. In furnishing such military assistance, it remains the policy of the United States to continue to exert maximum efforts to achieve universal control of weapons of mass destruction and universal regulation and reduction of armaments, in-

cluding armed forces, under adequate safeguards to protect complying nations against violation and evasion.

The Congress reaffirms its previous expressions favoring the creation by the free peoples of the Far East and the Pacific of a joint organization, consistent with the Charter of the United Nations, to establish a program of self-help and mutual cooperation designed to develop their economic and social well-being, to safeguard basic rights and liberties and to protect their security and independence.

The Congress hereby reiterates its opposition to the seating in the United Nations of the Communist China regime as the representative of China. In the event of the seating of representatives of the Chinese regime in the Security Council or General Assembly of the United Nations, the President is requested to inform the Congress insofar as is compatible with the requirements of national security, of the implications of this action upon the foreign policy of the United States and our foreign relationships, including that created by membership in the United Nations, together with any recommendations which he may have with respect to the matter.

SEC. 102. GENERAL AUTHORITY.—Military assistance may be furnished under this chapter on a grant or loan basis and upon such other appropriate terms as may be agreed upon, by the procurement from any source and the transfer to eligible nations and international organizations of equipment, materials, and services or by the provision of any service, including the assignment or detail of members of the Armed Forces and other personnel of the Department of Defense solely to assist in an advisory capacity or to perform other duties of a non-combatant nature, including military training or advice.

SEC. 103. AUTHORIZATIONS.—(a) There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1960 to carry out the purposes of this chapter not to exceed $1,400,000,000, which shall remain available until expended. Programs of military assistance subsequent to the fiscal year 1960 program shall be budgeted so as to come into competition for financial support with other activities and programs of the Department of Defense. There is hereby authorized to be appropriated to the president for the fiscal years 1961 and 1962 such sums as may be necessary from time to time to carry out the purposes of this chapter, which sums shall remain available until expended.

(b) Funds made available pursuant to subsection (a) of this section shall be available for the administrative and operating expenses of carrying out the purpose of this chapter including expenses incident to United States participation in international security organizations.

(c) When appropriations made pursuant to subsection (a) of this section are used to furnish military assistance on terms of repayment within ten years or earlier such assistance may be furnished, notwithstanding sections 105, 141, and 142, to nations eligible to purchase military equipment, materials, and services under section 106. When appropriations made pursuant to this section are used to furnish military assistance on terms of repayment within three years or earlier, dollar repayments, including dollar proceeds derived from the sale of foreign currency received hereunder to any United States Government agency or program, may be credited to the current applicable appropriation and shall be available until expended for the purposes of military assistance on terms of repayment, and, notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other

provision of law relating to the use of foreign currencies or other receipts accruing to the United States, repayments in foreign currency may be used for the purposes of this chapter: *Provided*, That the authority in this sentence shall apply to repayments from not to exceed $175,000,000 of the appropriations used for such assistance.

SEC. 104. INFRASTRUCTURE.—(a) The President is authorized to make contributions to infrastructure programs of the North Atlantic Treaty Organization, in accordance with agreements made between the member nations, out of funds made available pursuant to this section, or section 103, or chapter IX of the Supplemental Appropriation Act, 1953, of amounts totaling not more than $1,000,000,000, less amounts already contributed for such purpose. Such contributions by the United States shall not exceed its proportionate share, as heretofore agreed upon, of the expenses of such programs.

(b) When the President determines that it is in the interest of the security of the United States to participate in programs for the acquisition or construction of facilities in foreign nations for collective defense other than programs of the North Atlantic Treaty Organization, he may use for such purpose funds made available under section 103 or local currencies made available under section 402 in amounts totaling not more than $50,000,000.

(c) Notwithstanding section 501 of this Act, no funds other than those referred to in subsections (a) and (b) of this section may be expended for the purposes of this section. No funds shall be expended under this section for rental or purchase of land or for payment of taxes.

SEC. 105. CONDITIONS APPLICABLE TO MILITARY ASSISTANCE.—(a) Military assistance may be furnished under this chapter to any nation whose increased ability to defend itself the President shall have determined to be important to the security of the United States and which is otherwise eligible to receive such assistance. Equipment and materials furnished under this chapter shall be made available solely to maintain the internal security and legitimate self-defense of the recipient nation, or to permit it to participate in the defense of its area or in collective security arrangements and measures consistent with the Charter of the United Nations. The President shall be satisfied that such equipment and materials will not be used to undertake any act of aggression against any nation.

(b) In addition to the authority and limitations contained in the preceding subsection, the following provisions shall apply to particular areas:

(1) The Congress welcomes the recent progress in European cooperation and reaffirms its belief in the necessity of further efforts toward political federation, military integration, and economic unification as a means of building strength, establishing security, and preserving peace in the North Atlantic area. In order to provide further encouragement to such efforts, the Congress believes it essential that this Act should be so administered as to support concrete measures to promote greater political federation, military integration, and economic unification in Europe, including coordinated production and procurement programs participated in by the members of the North Atlantic Treaty Organization to the greatest extent possible with respect to military equipment and materials to be utilized for the defense of the North Atlantic area.

(2) Military assistance furnished to any nation in the Near East and Africa to permit it to participate in the defense of its area shall be furnished only in accordance with plans and arrangements which shall have been found by the President to require the recipient nation to take an important part therein.

(3) In furnishing military assistance in Asia, the President shall give the fullest assistance, as far as possible directly, to the free peoples in that area, including the Associated States of Cambodia, Laos, and Vietnam, in their creation of a joint organization, consistent with the Charter of the United Nations, to establish a program of self-help and mutual cooperation designed to develop their economic and social well-being, to safeguard basic rights and liberties, and to protect their security and independence.

(4) Military equipment and materials may be furnished to the other American Republics only in furtherance of missions directly relating to the common defense of the Western Hemisphere which are found by the President to be important to the security of the United States. The President annually shall review such findings and shall determine whether military assistance is necessary. Internal security requirements shall not, unless the President determines otherwise, be the basis for military assistance programs to American Republics. The aggregate amount of funds which may be obligated or reserved during the fiscal year [1960] *1961* for furnishing military assistance to American Republics shall not exceed the aggregate amount of funds obligated or reserved for such purpose during the fiscal year [1959] *1960*.

(5) To the extent feasible and consistent with the other purposes of this chapter, administrators of the military assistance program shall encourage the use of foreign military forces in underdeveloped countries in the construction of public works and other activities helpful to economic development.

SEC. 106. SALE OF MILITARY EQUIPMENT, MATERIALS, AND SERVICES.—(a) The President may, in order to carry out the purposes of this chapter, sell or enter into contracts (without requirement for charge to any appropriation or contract authorization) for the procurement for sale of equipment, materials, or services to any nation or international organization: *Provided*, That prior to the transfer of any such equipment, materials, or services to any nation which has not signed an agreement under section 142 of this Act or joined with the United States in a regional collective defense arrangement, the President shall have received commitments satisfactory to him that such equipment, materials, or services are required for and will be used by such nation solely to maintain its internal security, its legitimate self-defense, or to permit it to participate in the defense of the area of which it is a part, or in collective security arrangements and measures consistent with the Charter of the United Nations, and that it will not undertake any act of aggression against any other state.

(b) Whenever equipment or materials are sold from the stocks of or services are rendered by any United States Government agency to any nation or international organization as provided in subsection (a), such nation or international organization shall first make available the fair value, as determined by the President, of such equipment, materials, or services before delivery or, when the President deter-

mines it to be in the best interests of the United States, within sixty days thereafter or, as determined by the President, within a reasonable period not to exceed three years. The fair value for the purpose of this subsection shall not be less than the value as defined in subsection (h) of section 545: *Provided*, That with respect to excess equipment or materials the fair value may not be determined to be less than (i) the minimum value specified in that subsection plus the scrap value, or (ii) the market value, if ascertainable, whichever is the greater. Before a contract for new production is entered into, or rehabilitation work is undertaken, such nation or international organization shall (A) provide the United States with a dependable undertaking to pay the full amount of such contract or the cost of such rehabilitation which will assure the United States against any loss on the contract or rehabilitation work, and (B) shall make funds available in such amounts and at such times as may be necessary to meet the payments required by the contract or the rehabilitation work in advance of the time such payments are due, in addition to the estimated amount of any damages and costs that may accrue from the cancellation of such contract or rehabilitation work.

(c) Sections 105, 141, and 142 shall not apply with respect to assistance furnished under this section.

SEC. 107. WAIVERS OF LAW.—(a) The President may perform any of the functions authorized under this chapter without regard to (1) the provisions of title 10, United States Code, section 7307(a); and (2) such provisions as he may specify of the joint resolution of November 4, 1939 (54 Stat. 4), as amended.

(b) Notwithstanding the provisions of title 10, United States Code, section 3544(b) and 8544(b), personnel of the Department of Defense may be assigned or detailed to any civil office for the purpose of enabling the President to furnish assistance under this Act.

CHAPTER II—ECONOMIC ASSISTANCE

TITLE I—DEFENSE SUPPORT

SEC. 131. GENERAL AUTHORITY.—(a) The President is hereby authorized to furnish, to nations and organizations eligible to receive military assistance under Chapter I, or to nations which have joined with the United States in a regional collective defense arrangement, commodities, services, and financial and other assistance specifically designed to sustain and increase military effort. In furnishing such assistance, the President may provide for the procurement and transfer from any source of any commodity or service (including processing, storing, transporting, marine insurance, and repairing) or any technical information and assistance.

(b) There is hereby authorized to be appropriated to the President for use beginning in the fiscal year [1960] *1961* to carry out the purposes of this section not to exceed [$751,000,000] *$675,000,000*, which shall remain available until expended.

(c) In providing assistance in the procurement of commodities in the United States, United States dollars shall be made available for marine insurance on such commodities where such insurance is placed on a competitive basis in accordance with normal trade practice prevailing prior to the outbreak of World War II: *Provided*, That in the event a participating country, by statute, decree, rule, or regulation,

discriminates against any marine insurance company authorized to do business in any State of the United States, then commodities purchased with funds provided hereunder and destined for such country shall be insured in the United States against marine risk with a company or companies authorized to do a marine insurance business in any State of the United States.

(d) To the extent necessary to accomplish the purposes of this section in Korea (1) assistance may be furnished under this section without regard to the other provisions of this title or chapter I and (2) the authority provided in section 307 may be exercised in furnishing assistance under subsection (a) of this section; and funds available under this section may be used for payment of ocean freight charges on shipments for relief and rehabilitation in Korea without regard to section 409 of this Act.

SEC. 141. CONDITIONS OF ELIGIBILITY FOR ASSISTANCE.—No assistance shall be furnished under this title or chapter I to any nation or organization unless the President shall have found that furnishing such assistance will strengthen the security of the United States and promote world peace. [No such assistance] *No defense support or military equipment and materials* shall be furnished to a nation unless it shall have agreed to the provisions required by section 142, and such additional provisions as the President deems necessary to effectuate the policies and provisions of this title or chapter I and to safeguard the interests of the United States.

SEC. 142. AGREEMENTS.—(a) [No assistance] *No defense support or military equipment and materials* shall be furnished to any nation under chapter I or under this title unless such nation shall have agreed to—

(1) join in promoting international understanding and good will, and maintaining world peace;

(2) take such action as may be mutually agreed upon to eliminate causes of international tension;

(3) fulfill the military obligations, if any, which it has assumed under multilateral or bilateral agreement or treaties to which the United States is a party;

(4) make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world;

(5) take all reasonable measures which may be needed to develop its defense capacities;

(6) take appropriate steps to insure the effective utilization of the assistance furnished under this title in furtherance of the policies and purposes of chapter I or of this title;

(7) impose appropriate restrictions against transfer of title to or possession of any equipment and materials, information, or services furnished under chapter I without the consent of the President;

(8) maintain the security of any article, service, or information furnished under chapter I;

(9) furnish equipment and materials, services, or other assistance consistent with the Charter of the United Nations, to the United States or to and among other nations to further the policies and purposes of chapter I;

(10) permit continuous observation and review by United States representatives of programs of assistance authorized under chapter I or under this title, including the utilization of any such assistance and provide the United States with full and complete information with respect to these matters, as the President may require.

(b) In cases where any commodity is to be furnished on a grant basis under this title under arrangements which will result in the accrual of proceeds to the recipient nation from the import or sale thereof, such assistance shall not be furnished unless the recipient nation shall have agreed to establish a Special Account, and—

(i) deposit in the Special Account, under such terms and conditions as may be agreed upon, currency of the recipient nation in amounts equal to such proceeds;

(ii) make available to the United States such portion of the Special Account as may be determined by the President to be necessary for the requirements of the United States: *Provided*, That such portion shall not be less than 10 per centum in the case of any country to which such minimum requirement has been applicable under any Act repealed by this Act; and

(iii) utilize the remainder of the Special Account for programs agreed to by the United States to carry out the purposes for which new funds authorized by this Act would themselves be available: *Provided*, That if amounts in such remainder exceed the requirements of such programs, the recipient nation may utilize such excess amounts for other purposes agreed to by the United States which are consistent with the foreign policy of the United States: *Provided further*, That such utilization of such excess amounts in all Special Accounts shall not exceed the equivalent of $4,000,000: *Provided further*, That whenever funds from such Special Account are used by a country to make loans, all funds received in repayment of such loans prior to termination of assistance to such country shall be reused only for such purposes as shall have been agreed to between the country and the Government of the United States.

Any unencumbered balances of funds which remain in the Account upon termination of assistance to such nation under this Act shall be disposed of for such purposes as may, subject to approval by the Act or joint resolution of the Congress, be agreed to between such country and the Government of the United States.

SEC. 143. ASSISTANCE TO YUGOSLAVIA.—In furnishing assistance to Yugoslavia, the President shall continuously assure himself (1) that Yugoslavia continues to maintain its independence, (2) that Yugoslavia is not participating in any policy or program for the Communist conquest of the world, and (3) that the furnishing of such assistance is in the interest of the national security of the United States. The President shall keep the Foreign Relations Committee and the Appropriations Committee of the Senate and the Speaker of the House of Representatives fully and constantly informed of any assistance furnished to Yugoslavia under this Act.

SEC. 144. SOUTHEAST ASIA.—Assistance under this title or chapter I shall be made available subject to the provisions of sections 141 and 142, except that (1) in the case of assistance to the Associated States of Cambodia, Laos, and Vietnam, and (2) in the case of assistance (not

to exceed in the aggregate 10 per centum of the amount appropriated pursuant to section 121, excluding unexpended balances of prior appropriations) to other nations in the area of southeast Asia, the President may waive specific provisions of section 142 to the extent he may deem necessary in the national interest to carry out the purposes of this Act. The President or such officer as he may designate shall report each instance of such waiver to the Foreign Relations, Appropriations, and Armed Services Committees of the Senate and the Speaker of the House of Representatives within thirty days.

TITLE II—DEVELOPMENT LOAN FUND

SEC. 201. DECLARATION OF PURPOSE.—The Congress of the United States recognizes that the progress of free peoples in their efforts to further their economic development, and thus to strengthen their freedom, is important to the security and general welfare of the United States. The Congress further recognizes the necessity in some cases of assistance to such peoples if they are to succeed in these efforts. The Congress accordingly reaffirms that it is the policy of the United States, and declares it to be the purpose of this title, to strengthen friendly foreign countries by encouraging the development of their economies through a competitive free enterprise system; to minimize or eliminate barriers to the flow of private investment capital and international trade; to facilitate the creation of a climate favorable to the investment of private capital; and to assist, on a basis of self-help and mutual cooperation, the efforts of free peoples to develop their economic resources and to increase their productive capabilities.

SEC. 202. GENERAL AUTHORITY.—(a) To carry out the purposes of this title, there is hereby created as an agency of the United States of America, subject to the direction and supervision of the President, a body corporate to be known as the "Development Loan Fund" (hereinafter referred to in this title as the "Fund") which shall have succession in its corporate name. The Fund shall have its principal office in the District of Columbia and shall be deemed, for purposes of venue in civil actions, to be a resident thereof. It may establish offices in such other place or places as it may deem necessary or appropriate.

(b) The Fund is hereby authorized to make loans, credits, or guaranties, or to engage in other financing operations or transactions (not to include grants or direct purchases of equity securities), to or with such nations, organizations, persons or other entities, and on such terms and conditions, as it may determine, taking into account (1) whether financing could be obtained in whole or in part from other free world sources on reasonable terms, (2) the economic and technical soundness of the activity to be financed, (3) whether the activity gives reasonable promise of contributing to the development of economic resources or to the increase of productive capacities in furtherance of the purposes of this title, and (4) the possible adverse effects upon the economy of the United States, with special reference to areas of substantial labor surplus, of the activity and the financing operation or transaction involved. Loans shall be made by the Fund only on the basis of firm commitments by the borrowers to make repayment and upon a finding that there are reasonable prospects of such repayment. The Fund in its operations shall recognize that development

loan assistance will be most effective in those countries which show a responsiveness to the vital long-term economic, political, and social concerns of their people, demonstrate a clear willingness to take effective self-help measures, and effectively demonstrate that such assistance is consistent with, and makes a contribution to, workable long-term economic development objectives. The Fund shall be administered so as to support and encourage private investment and other private participation furthering the purposes of this title, and it shall be administered so as not to compete with private investment capital, the Export-Import Bank or the International Bank for Reconstruction and Development. The provisions of section 955 of title 18 of the United States Code shall not apply to prevent any person, including any individual, partnership, corporation, or association, from acting for or participating with the Fund in any operation or transaction, or from acquiring any obligation issued in connection with any operation or transaction, engaged in by the Fund. The authority of section 451(a) of this Act may not be used to waive the requirements of this title or of the Mutual Defense Assistance Control Act of 1951 with respect to this title, nor may the authority of section 501 of this Act be used to increase or decrease the funds available under this title. No guaranties of equity investment against normal business-type risks shall be made available under this subsection nor shall the fractional reserve maintained by the Development Loan Fund for any guaranty made pursuant to this section be less in any case than 50 per centum of the contractual liability of the Development Loan Fund under such guaranty, and the total contractual liability of the Development Loan Fund under all of such guaranties shall not, at any one time, exceed $100,000,000. The President's semi-annual reports to the Congress on operations under this Act, as provided for in section 534 of this Act, shall include detailed information on the implementation of this title.

(c) *The Fund shall not allocate or commit funds aggregating in excess of $100,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country which is supported by sufficient engineering, financial, or other data to indicate reasonably (A) the manner in which it is proposed to use such funds, (B) the economic and technical soundness of such use, and (C) the practicability of such use, or (2) the President determines it to be in the national interest to use such funds pursuant to multilateral plans.*

SEC. 203. CAPITALIZATION.—There is hereby authorized to be appropriated to the President at any time after enactment of the Mutual Security Act of 1959 without fiscal year limitation for advances to the Fund after June 30, 1959, not to exceed $1,800,000,000 of which not to exceed $700,000,000 may be advanced prior to July 1, 1960, and not to exceed an additional $1,100,000,000 may be advanced prior to July 1, 1961.

SEC. 204. FISCAL PROVISIONS.—(a) All receipts from activities or transactions under this title shall be credited to the Fund and, notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law relating to the use of foreign currencies or other receipts accruing to the United States, shall be available for use for purposes of this title.

(b) The Fund is authorized to incur, in accordance with the provisions of this title, obligations in amounts which may not at any

time exceed the assets of the Fund. The term "assets of the Fund" as used in this section shall mean the amount of liquid assets of the Fund at any given time including any amount of capitalization made available pursuant to section 203 of this Act which has not been advanced to the Fund as of such time. The assets of the Fund shall be available without fiscal year limitation for any obligations or expenditures in connection with the performance of functions under this title.

(c) The Fund shall be deemed to be a wholly owned Government corporation and shall accordingly be subject to the applicable provisions of the Government Corporation Control Act, as amended.

SEC. 205. MANAGEMENT, POWERS AND AUTHORITIES.—(a) The management of the Fund shall be vested in a Board of Directors (hereinafter referred to in this title as the "Board") consisting of the [Under Secretary of State for Economic Affairs] *Secretary of State*, who shall be Chairman, the Director of the International Cooperation Administration, the Chairman of the Board of Directors of the Export-Import Bank, the Managing Director of the Fund, and the United States Executive Director on the International Bank for Reconstruction and Development. The Board shall carry out its functions subject to the foreign policy guidance of the Secretary of State. The Board shall act by a majority vote participated in by a quorum; and three members of the Board shall constitute a quorum. Subject to the foregoing sentence, vacancies in the membership of the Board shall not affect its power to act. The Board shall meet for organization purposes when and where called by the Chairman. The Board may, in addition to taking any other necessary or appropriate actions in connection with the management of the Fund, adopt, amend, and repeal bylaws governing the conduct of its business and the performance of the authorities, powers, and functions of the Fund and its officers and employees. The members of the Board shall receive no compensation for their services on the Board but may be paid actual travel expenses and per diem in lieu of subsistence under the Standardized Government Travel Regulations in connection with travel or absence from their homes or regular places of business for purposes of business of the Fund.

(b) There shall be a Managing Director of the Fund who shall be the chief executive officer of the Fund, who shall be appointed by the President of the United States by and with the advice and consent of the Senate, and whose compensation shall be at a rate of $20,000 a year. There shall also be a Deputy Managing Director of the Fund, whose compensation shall be at a rate not in excess of $19,000 a year, and four other officers of the Fund, whose titles shall be determined by the Board and whose compensation shall be at a rate not in excess of $18,000 per year. Appointment to the offices provided for in the preceding sentence shall be by the Board. The Managing Director, in his capacity as chief executive officer of the Fund, the Deputy Managing Director and the other officers of the Fund shall perform such functions as the Board may designate and shall be subject to the supervision and direction of the Board. During the absence or disability of the Managing Director or in the event of a vacancy in the office of Managing Director, the Deputy Managing Director shall act as Managing Director, or, if the Deputy Managing Director is also absent or disabled or the office of Deputy Managing Director is vacant, such other officer as the Board may designate shall act as Managing Director. The offices provided for in this subsection shall be in addition to positions otherwise authorized by law.

(c) The Fund, in addition to other powers and authorities vested in or delegated or assigned to the Fund or its officers or the Board, may: enter into, perform, and modify contracts, leases, agreements, or other transactions, on such terms as it may deem appropriate, with any agency or instrumentality of the United States, with any foreign government or foreign government agency, or with any person, partnership, association, corporation, organization, or other entity, public or private, singly or in combination; accept and use gifts or donations of services, funds, or property (real, personal or mixed, tangible or intangible); contract for the services of attorneys; determine the character of and necessity for obligations and expenditures of the Fund, and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to Government corporations; acquire and dispose of, upon such terms and conditions and for such consideration as the Fund shall determine to be reasonable, through purchase, exchange, discount, rediscount, public or private sale, negotiation, assignment, exercise of option or conversion rights, or otherwise, for cash or credit, with or without endorsement or guaranty, any property, real, personal, mixed, tangible or intangible, including, but not limited to, mortgages, bonds, debentures (including convertible debentures), liens, pledges, and other collateral or security, contracts, claims, currencies, notes, drafts, checks, bills of exchange, acceptances including bankers' acceptances, cable transfers and all other evidences of indebtedness or ownership (provided that equity securities may not be directly purchased although such securities may be acquired by other means such as by exercise of conversion rights or through enforcement of liens, pledges or otherwise to satisfy a previously incurred indebtedness), and guarantee payment against any instrument above specified; issue letters of credit and letters of commitment; collect or compromise any obligations assigned to or held by, and any legal or equitable rights accruing to, the Fund, and, as the Fund may determine, refer any such obligations or rights to the Attorney General for suit or collection; adopt, alter and use a corporate seal which shall be judicially noticed; require bonds for the faithful performance of the duties of its officers, attorneys, agents and employees and pay the premiums thereon; sue and be sued in its corporate name (provided that no attachment, injunction, garnishment, or similar process, mesne or final, shall be issued against the Fund or any officer thereof, including the Board or any member thereof, in his official capacity or against property or funds owned or held by the Fund or any such officer in his official capacity); exercise, in the payment of debts out of bankrupt, insolvent or decedent's estates, the priority of the Government of the United States; purchase one passenger motor vehicle for use in the [continental] United States and replace such vehicle from time to time as necessary; use the United States mails in the same manner and under the same conditions as the executive departments of the Federal Government; and otherwise take any and all actions determined by the Fund to be necessary or desirable in making, carrying out, servicing, compromising, liquidating, or otherwise dealing with or realizing on any transaction or operation, or in carrying out any function. Nothing herein shall be construed to exempt the Fund or its operations from the application of section 507(b) and 2679 of title 28, United States Code or of section 367 of the Revised Statutes (5 U.S.C. 316), or to authorize the Fund to borrow any funds from any source without the express legislative permission of the Congress.

(d) The Fund shall eontribute, from thc respeetive appropriation or fund used for payment of salaries, pay or eompensation, to the eivil serviee retirement and disability fund, a sum as provided by section 4(a) of the Civil Service Retirement Act, as amended (5 U.S.C. 2254a), exeept that sueh sum shall be determined by applying to the total basie salaries (as defined in that Aet) paid to the employees of the Fund eovered by that Act, the per centum rate determined annually by the Civil Service Commission to be the exeess of the total normal cost per centum rate of the civil serviee retirement system over the employee deduction rate specified in said seetion 4(a). The Fund shall also contribute at least quarterly from sueh appropriation or fund, to the employees' compensation fund, the amount determined by the Seeretary of Labor to be the full cost of benefits and other payments made from sueh fund on aeeount of injuries and deaths of its employees whieh may hercafter oeeur. The Fund shall also pay into the Treasury as miseellaneous reeeipts that portion of the eost of administration of the respeetive funds attributable to its employees, as determined by the Civil Servicc Commission and the Secretary of Labor.

(e) The assets of the Development Loan Fund on the date of enaetment of the Mutual Seeurity Aet of 1958 shall be transferred as of sueh datc to thc body corporate ereated by seetion 202(a) of this Aet. In addition, reeords, personnel, and property of the International Cooperation Administration may, as agreed by the Managing Direetor and the Direetor of the International Cooperation Administration or as determined by the President, be transferred to the Fund. Obligations and liabilities ineurred against, and rights established or aequired for the benefit of or with rcspeet to, the Development Loan Fund during the period between August 14, 1957, and the date of enaetment of the Mutual Seeurity Act of 1958 are hereby transferred to, and aeeepted and assumed by, the body corporate created by seetion 202(a) of this Act. A person serving as Manager of the Development Loan Fund as of the date of enactment of the Mutual Seeurity Act of 1958 shall not, by reason of the enactment of that Act, require reappointment in order to serve in the office of Managing Direetor provided for in seetion 205(b) of this Aet.

Sec. 206. National Advisory Council.—The Fund shall be administered subjeet to the applieable provisions of section 4 of the Brctton Woods Agreements Act (22 U.S.C. 286b) with respect to the funetions of the National Advisory Couneil on International Monetary and Finaneial Problems.

TITLE III—TECHNICAL COOPERATION

Sec. 301. Declaration of Purpose.—It is the poliey of thc Unitcd States and the purpose of this title to aid the efforts of the peoples of eeonomieally underdeveloped areas to develop their resources and improve their working and living eonditions by eneouraging the exehange of teehnieal knowlcdge and skills and the flow of investment capital to eountries whieh provide conditions under which sueh technieal assistanee and eapital can effeetively and construetively eontribute to raising standards of living, creating new sources of wealth, increasing produetivity and expanding purchasing power.

SEC. 302. GENERAL AUTHORITY AND DEFINITION.—The President is authorized to furnish assistance in accordance with the provisions of this title through bilateral technical cooperation programs. As used in this title, the term, "technical cooperation programs" means programs for the international interchange of technical knowledge and skills designed to contribute primarily to the balanced and integrated development of the economic resources and productive capacities of economically underdeveloped areas. Such activities shall be limited to economic, engineering, medical, educational, labor, agricultural, forestry, fishery, mineral, and fiscal surveys, demonstration, training, and similar projects that serve the purpose of promoting the development of economic resources, productive capacities, and trade of economically underdeveloped areas, and training in public administration. The term "technical cooperation programs" does not include such activities authorized by the United States Information and Educational Exchange Act of 1948 (62 Stat. 6) as are not primarily related to economic development, nor activities undertaken now or hereafter pursuant to the International Aviation Facilities Act (62 Stat. 450), nor activities undertaken now or hereafter in the administration of areas occupied by the United States Armed Forces.

SEC. 303. PREREQUISITES TO ASSISTANCE.—Assistance shall be made available under section 302 of this Act only where the President determines that the nation being assisted—

(a) pays a fair share of the cost of the program;

(b) provides all necessary information concerning such program and gives the program full publicity;

(c) seeks to the maximum extent possible full coordination and integration of technical cooperation programs being carried on in that nation;

(d) endeavors to make effective use of the results of the program; and

(e) cooperates with other nations participating in the program in the mutual exchange of technical knowledge and skills.

SEC. 304. AUTHORIZATION.—There is hereby authorized to be appropriated to the President to remain available until expended not to exceed [$179,500,000] *$172,000,000* for use beginning in the fiscal year [1960] *1961* to carry out the purposes of this title.

SEC. 305. LIMITATION ON USE OF FUNDS.—Funds made available under section 304 may be expended to furnish assistance in the form of equipment or commodities only where necessary for instruction or demonstration purposes.

SEC. 306. MULTILATERAL TECHNICAL COOPERATION AND RELATED PROGRAMS.—As one means of accomplishing the purposes of this title and this Act, the United States is authorized to participate in multilateral technical cooperation and related programs carried on by the United Nations, the Organization of American States, their related organizations, and other international organizations, wherever practicable. There is hereby authorized to be appropriated to carry out the purpose of this section, in addition to the amounts authorized by section 304, not to exceed—

(a) [$30,000,000] *$33,000,000* for the fiscal year [1960] *1961* for contributions to the United Nations Expanded Program of Technical Assistance and such related fund as may hereafter be established: *Provided,* That, notwithstanding the limitation of 33.33 per centum

contained in the Mutual Security Appropriation Act, 1957, the United States contribution for such purpose may consitute for the calendar year 1958 as much as but not to exceed 45 per centum of the total amount contributed for such purpose and for succeeding calendar years not to exceed 40 per centum of the total amount contributed for such purpose (including assessed and audited local costs) for each such year.

(b) $1,500,000 for the fiscal year [1960] *1961* for contributions to the technical cooperation program of the Organization of American States.

SEC. 307. ADVANCES AND GRANTS; CONTRACTS.—The President may make advances and grants-in-aid of technical cooperation programs to any person, corporation, or other body of persons or to any foreign government agency. The President may make and perform contracts and agreements in respect to technical cooperation programs on behalf of the United States Government with any person, corporation, or other body of persons however designated, whether within or without the United States, or with any foreign government or foreign government agency. A contract or agreement which entails commitments for the expenditure of funds appropriated pursuant to this title may, subject to any future action of the Congress, extend at any time for not more than three years.

SEC. 308. INTERNATIONAL DEVELOPMENT ADVISORY BOARD.—There shall be an advisory board, referred to in this section as the "Board," which shall advise and consult with the President, or such other officer or officers as he may designate, with respect to general or basic policy matters arising in connection with the operation of programs authorized by this title, title II, and section 413(b). The Board shall consist of not more than thirteen members appointed by the President, one of whom, by and with the advice and consent of the Senate, shall be appointed by him as chairman. The members of the Board shall be broadly representative of voluntary agencies and other groups interested in the programs, including business, labor, agriculture, public health, and education. All members of the Board shall be citizens of the United States; none except the chairman shall be an officer or an employee of the United States (including any United States Government agency) who as such regularly receives compensation for current services. Members of the Board, other than the chairman if he is an officer of the United States Government, shall receive out of funds made available for the purpose of this title a per diem allowance of $50 for each day spent away from their homes or regular places of business for the purpose of attendance at meetings of the Board or at conferences held upon the call of the chairman, and in necessary travel, and while so engaged they may be paid actual travel expenses and not to exceed $10 per diem, or at the applicable rate prescribed in the Standardized Government Travel Regulations, as amended from time to time, whichever is higher, in lieu of subsistence and other expenses.

TITLE IV—SPECIAL ASSISTANCE AND OTHER PROGRAMS

SEC. 400. SPECIAL ASSISTANCE.—(a) There is hereby authorized to be appropriated to the President for the fiscal year [1960] *1961* not to exceed [$247,500,000] *$256,000,000* for use on such terms and conditions as he may specify for assistance designed to maintain or promote

political or economic stability. *It is the sense of the Congress that so long as it is the policy of the United States not to sell or furnish armaments to any one nation in the Near East, no part of the funds appropriated pursuant to this section should be used for the purchase of armaments by any other nation in the Near East.*

(b) For the purpose of promoting economic development in Latin America there is hereby authorized to be appropriated to the President not to exceed $25,000,000, which shall remain available until expended, and in the utilization of such sum preference shall be given to (A) projects or programs that will clearly contribute to promoting health, education, and sanitation in the area as a whole or among a group or groups of countries of the area, (B) joint health, education, and sanitation assistance programs undertaken by members of the Organization of American States, and (C) such land resettlement programs as will contribute to the resettlement of foreign and native migrants in the area as a whole, or in any country of the area, for the purpose of advancing economic development and agricultural and industrial productivity: *Provided,* That assistance under this sentence shall emphasize loans rather than grants wherever possible, and not less than 90 per centum of the funds made available for assistance under this subsection shall be available only for furnishing assistance on terms of repayment in accordance with the provisions of section 505.

(c) The President is authorized to use not to exceed $20,000,000 of funds appropriated pursuant to subsection (a) of this section for assistance, on such terms and conditions as he may specify, to schools and libraries abroad, founded or sponsored by citizens of the United States, and serving as study and demonstration centers for ideas and practices of the United States, notwithstanding any other Act authorizing assistance of this kind. Further, in addition to the authority contained in this subsection, it is the sense of Congress that the President should make a special and particular effort to utilize foreign currencies accruing under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, and notwithstanding the provisions of Public Law 213, Eighty-second Congress, the President is authorized to utilize foreign currencies accruing to the United States under this or any other Act, for the purposes of this subsection and for hospitals abroad designed to serve as centers for medical treatment, education and research, founded or sponsored by citizens of the United States.

SEC. 401. UNITED NATIONS EMERGENCY FORCE.—The Congress of the United States, recognizing the important contribution of the United Nations Emergency Force to international peace and security, declares it to be the policy of the United States and the purpose of this section to support the United Nations Emergency Force. The President is hereby authorized to use during the fiscal year [1960] *1961* funds made available pursuant to section 400(a) of this Act for contributions on a voluntary basis to the budget of the United Nations Emergency Force.

SEC. 402. EARMARKING OF FUNDS.—Of the funds authorized to be made available in the fiscal year [1960] *1961* pursuant to this Act (other than funds made available pursuant to title II), not less than $175,000,000 shall be used to finance the export and sale for foreign currencies or the grant of surplus agricultural commodities or products thereof produced in the United States, in addition to surplus agri-

cultural commodities or products transferred pursuant to the Agricultural Trade Development and Assistance Act of 1954, and in accordance with the standards as to pricing and the use of private trade channels expressed in section 101 of said Act. Foreign currency proceeds accruing from such sales shall be used for the purposes of this Act and with particular emphasis on the purposes of section 104 of the Agricultural Trade Development and Assistance Act of 1954 which are in harmony with the purposes of this Act. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use for such purposes the foreign currencies which accrue to the United States under this section. Surplus food commodities or products thereof made available for transfer under this Act (or any other Act) as a grant or as a sale for foreign currencies may also be made available to the maximum extent practicable to eligible domestic recipients pursuant to section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431), or to needy persons within the United States pursuant to clause (2) of section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c). Section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431), is amended by inserting "whether in private stocks or" after "commodities" the first time that word appears.

SEC. 403. RESPONSIBILITIES IN GERMANY.—The President is hereby authorized to use during the fiscal year [1960] *1961* not to exceed [$7,500,000] *$6,750,000* of the funds made available pursuant to section 400(a) of this Act in order to meet the responsibilities or objectives of the United States in Germany, including West Berlin. In carrying out this section, the President may also use currency which has been or may be deposited in the GARIOA (Government and Relief in Occupied Areas) Special Account, including that part of the German currency now or hereafter deposited under the bilateral agreement of December 15, 1949, between the United States and the Federal Republic of Germany (or any supplementary or succeeding agreement) which, upon approval by the President, shall be deposited in the GARIOA Special Account under the terms of article V of that agreement. The President may use the funds available for the purposes of this section on such terms and conditions as he may specify, and without regard to any provision of law which he determines must be disregarded.

SEC. 404. INDUS BASIN DEVELOPMENT.—The Congress of the United States welcomes the progress made through the good offices of the International Bank for Reconstruction and Development toward the development of the Indus Basin through a program of cooperation among South Asian and other nations of the free world in order to promote economic growth and political stability in South Asia, and affirms the willingness of the United States, pursuant to authorities contained in this and other Acts, to participate in this significant undertaking. In the event that funds appropriated pursuant to this Act are made available to be used by or under the supervision of the International Bank for Reconstruction and Development in furtherance of the foregoing purposes, such funds may be used in accordance with requirements, standards, or procedures established by the Bank concerning completion of plans and cost estimates and determination of feasibility, rather than with requirements, standards, or

procedures concerning such matters set forth in this or other Acts; and such funds may also be used without regard to the provisions of section 901(b) of the Merchant Marine Act of 1936, as amended (46 U.S.C. 1241), whenever the President determines that such provisions cannot be fully satisfied without seriously impeding or preventing accomplishment of such purposes.

SEC. 405. MIGRANTS, REFUGEES, AND ESCAPEES.—(a) The President is hereby authorized to continue membership for the United States on the Intergovernmental Committee for European Migration in accordance with its constitution approved in Venice, Italy, on October 19, 1953. For the purpose of assisting in the movement of migrants, there is hereby authorized to be appropriated such amounts as may be necessary from time to time for the payment by the United States of its contributions to the Committee and all necessary salaries and expenses incident to United States participation in the Committee.

(b) Of the funds made available under this Act, not more than $800,000 may be used by the President to facilitate the migration to the other American Republics of persons resident in that portion of the Ryukyu Island Archipelago under United States control.

(c) There is hereby authorized to be appropriated for the fiscal year [1960] *1961* not to exceed [$1,100,000] *$1,500,000* for contributions to the program of the United Nations High Commissioner for Refugees for assistance to refugees under his mandate.

(d) There is hereby authorized to be appropriated to the President for the fiscal year [1960] *1961* not to exceed [$5,200,000] *$3,500,000* for continuation of activities, including care, training, and resettlement, which have been undertaken for selected escapees under section 451 of this Act.

SEC. 406. CHILDREN'S WELFARE.—There is hereby authorized to be appropriated not to exceed $12,000,000 for the fiscal year [1960] *1961* for contributions to the United Nations Children's Fund.

SEC. 407. PALESTINE REFUGEES IN THE NEAR EAST.—There is hereby authorized to be appropriated to the President for the fiscal year [1960] *1961* not to exceed [$25,000,000] *$18,500,000* to be used to make contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East[: *Provided*, That of the funds appropriated pursuant to this section 10 per centum shall be available only for repatriation or resettlement of such refugees]. In determining whether or not to continue furnishing assistance for Palestine refugees in the Near East, the President shall take into account whether Israel and the Arab host governments are taking steps toward the resettlement and repatriation of such refugees. Whenever the President shall determine that it would more effectively contribute to the relief, rehabilitation, and resettlement of Palestine refugees in the Near East, he may expend any part of the funds made available pursuant to this section through any other agency he may designate.

SEC. 408. NORTH ATLANTIC TREATY ORGANIZATION.—(a) In order to provide for United States participation in the North Atlantic Treaty Organization, there is hereby authorized to be appropriated such amounts as may be necessary from time to time for the payment by the United States of its share of the expenses of the Organization and all necessary salaries and expenses of the United States permanent representative to the Organization, of such persons as may be appointed to

represent the United States in the subsidiary bodies of the Organization or in any multilateral organization which participates in achieving the aims of the North Atlantic Treaty, and of their appropriate staffs, and the expenses of participation in meetings of such organizations, including salaries, expenses, and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801), and allowances and expenses as provided in section 6 of the Act of July 30, 1946 (22 U.S.C. 287r).

(b) The United States permanent representative to the North Atlantic Treaty Organization shall be appointed by the President by and with the advice and consent of the Senate and shall hold office at the pleasure of the President. Such representative shall have the rank and status of ambassador extraordinary and plenipotentiary and shall be a chief of mission, class 1, within the meaning of the Foreign Service Act of 1946, as amended (22 U.S.C. 801).

(c) Persons detailed to the international staff of the North Atlantic Treaty Organization in accordance with section 529 of this Act who are appointed as Foreign Service Reserve Officers may serve for periods of more than five years notwithstanding the limitation in section 522 of the Foreign Service Act of 1946, as amended (22 U.S.C. 922).

SEC. 409. OCEAN FREIGHT CHARGES.—(a) In order to further the efficient use of United States voluntary contributions for relief and rehabilitation in nations and areas eligible for assistance under this Act, the President may pay ocean freight charges from United States ports to designated ports of entry of such nations and areas on shipments by United States voluntary nonprofit relief agencies registered with and approved by the Advisory Committee on Voluntary Foreign Aid and shipments by the American Red Cross.

(b) Where practicable the President shall make arrangements with the receiving nation for free entry of such shipments and for the making available by that nation of local currencies for the purpose of defraying the transportation cost of such shipments from the port of entry of the receiving nation to the designated shipping point of the consignee.

(c) There is hereby authorized to be appropriated to the President for the fiscal year [1960] *1961* not to exceed [$2,300,000] *$2,000,000* to carry out the purposes of this section.

(d) In addition, any funds made available under this Act may be used. in amounts determined by the President, to pay ocean freight charges on shipments of surplus agricultural commodities, including commodities made available pursuant to any Act for the disposal abroad of United States agricultural surpluses.

SEC. 411. ADMINISTRATIVE AND OTHER EXPENSES.—(a) Whenever possible, the expenses of administration of this Act shall be paid for in the currency of the nation where the expense is incurred.

(b) There is hereby authorized to be appropriated to the President for the fiscal year [1960] *1961* not to exceed [$39,500,000] *$40,000,000* for necessary administrative expenses incident to carrying out the provisions of this Act (other than chapter I and title II of chapter II) and functions under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691 and the following) performed by any agency or officer administering nonmilitary assistance.

(c) There are authorized to be appropriated [to] *for expenses of* the Department of State such amounts as may be necessary from time to time for administrative expenses which are incurred for functions of the Department under this Act or for normal functions of the Department which relate to functions under this Act, and for expenses of carrying out the objectives of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611): *Provided*, That, in addition, funds made available for carrying out chapter I of this Act shall be available for carrying out the objectives of the Mutual Defense Assistance Control Act of 1951 in such amounts as the President may direct.

(d) Funds made available for the purposes of this Act may be used for compensation, allowances, and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purposes of this Act, and without regard to the provisions of any other law, for printing and binding, and for expenditures outside [the continental limits of] the United States for the procurement of supplies and services and for other administrative and operating purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of Government funds as may be necessary to accomplish the purposes of this Act.

[SEC. 412. PRESIDENT'S SPECIAL EDUCATION AND TRAINING FUND.—Of the funds appropriated pursuant to this Act for use beginning in each of the fiscal years 1960 through 1964, $10,000,000 for each such year shall be available only as follows:

[(a) $5,000,000 shall be available until expended only for financing studies, research, instruction, and other educational activities of citizens of underdeveloped countries in educational institutions in the United States, Puerto Rico, and the Virgin Islands. Such financing may include payment for transportation, tuition, maintenance and other expenses incident to scholastic activities. The President may employ such funds to augment programs of this character authorized by section 32(b)(2) of the Surplus Property Act of 1944, as amended, and by the United States Information and Educational Exchange Act of 1948, as amended, and he may consolidate such portions of such $5,000,000 as he may deem appropriate with appropriations made to carry out these two Acts.

[(b) $5,000,000 shall be available until expended only for the training of people of underdeveloped countries in skills which will contribute to economic development. Such training shall be carried out in accordance with the policies set forth in title III of chapter II, relating to technical cooperation, and such $5,000,000 may be consolidated with appropriations made for carrying out title III of chapter II.]

SEC. 413. ENCOURAGEMENT OF FREE ENTERPRISE AND PRIVATE PARTICIPATION.—(a) The Congress recognizes the vital role of free enterprise in achieving rising levels of production and standards of living essential to the economic progress and defensive strength of the free world. Accordingly, it is declared to be the policy of the United States to encourage the efforts of other free nations to increase the flow of international trade, to foster private initiative and competition, to discourage monopolistic practices, to improve the technical efficiency of their industry, agriculture and commerce, and to strengthen free labor

unions; and to encourage the contribution of United States enterprise toward economic strength of other free nations, through private trade and investment abroad, private participation in the programs carried out under this Act (including the use of private trade channels to the maximum extent practicable in carrying out such programs), and exchange of ideas and technical information on the matters covered by this section.

(b) In order to encourage and facilitate participation by private enterprise to the maximum extent practicable in achieving any of the purposes of this Act, the President—

(1) shall make arrangements to find and draw the attention of private enterprise to opportunities for investment and development in other free nations;

(2) shall accelerate a program of negotiating treaties for commerce and trade, including tax treaties, which shall include provisions to encourage and facilitate the flow of private investment to, and its equitable treatment in, nations participating in programs under this Act;

(3) shall, consistent with the security and best interests of the United States, seek compliance by other countries or a dependent area of any country with all treaties for commerce and trade and taxes and shall take all reasonable measures under this Act or other authority to secure compliance therewith and to assist United States citizens in obtaining just compensation for losses sustained by them or payments exacted from them as a result of measures taken or imposed by any country or dependent area thereof in violation of any such treaty; and

(4) may make, through an agency responsible for administering nonmilitary assistance under this Act, until June 30, 1967, under rules and regulations prescribed by him, guaranties to any person of investments in connection with projects, including expansion, modernization, or development of existing enterprises, in any nation with which the United States has agreed to institute the guaranty program: *Provided*, That—

(A) such projects shall be approved by the President as furthering the development of the economic resources and productive capacities of economically underdeveloped areas or, in the case of guaranties issued prior to January 1, 1960, on the basis of applications submitted prior to July 1, 1959, any of the purposes of this Act, and by the nation concerned;

(B) the guaranty to any person shall be limited to assuring any or all of the following:

(i) the transfer into United States dollars of other currencies, or credits in such currencies, received by such person as earnings or profits from the approved project, as repayment or return of the investment therein, in whole or in part, or as compensation for the sale or disposition of all or any part thereof;

(ii) the compensation in United States dollars for loss of all or any part of the investment in the approved project which shall be found by the President to have been lost to such person by reason of expropriation or confiscation by action of the government of a foreign nation or by reason of war;

(C) when any payment is made to any person pursuant to a guaranty as hereinbefore described, the currency, credits, assets, or investment on account of which such payment is made shall become the property of the United States Government, and the United States Government shall be subrogated to any right, title, claim or cause of action existing in connection therewith;

(D) the guaranty to any person shall not exceed the amount of dollars invested in the project by such person with the approval of the President plus actual earnings or profits on said project to the extent provided by such guaranty, and shall be limited to a term not exceeding twenty years from the date of issuance;

(E) a fee shall be charged in an amount not exceeding 1 per centum per annum of the amount of each guaranty under clause (i) of subparagraph (B), and not exceeding 4 per centum of the amount of each guaranty under clause (ii) of such subparagraph, and all fees collected hereunder shall be available for expenditure in discharge of liabilities under guaranties made under this section until such time as all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this section: *Provided*, That in the event the fee to be charged for a type of guaranty is reduced, fees to be paid under existing contracts for the same type of guaranty may be similarly reduced;

(F) the President is authorized to issue guaranties up to a total face value of $1,000,000,000 exclusive of informational media guarantics heretofore and hereafter issued pursuant to section 1011 of the Act of January 27, 1948, as amended (22 U.S.C. 1442), and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (22 U.S.C. 1509(b)(3)): *Provided*, That any funds allocated to a guaranty and remaining after all liability of the United States assumed in connection therewith has been released, discharged, or otherwise terminated, and funds realized after June 30, 1955, from the sale of currencies or other assets acquired pursuant to subparagraph (C), shall be available for allocation to other guaranties, and the foregoing limitation shall be increased to the extent that such funds become available. Any payments made to discharge liabilities under guaranties issued under this paragraph shall be paid out of fees collected under subparagraph (E) as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of currencies or other assets acquired pursuant to subparagraph (C) and notes which have been issued under authority of paragraph 111(c)(2) of the Economic Cooperation Act of 1948, as amended, and authorized to be issued under this paragraph by the Director of the International Cooperation Administration or such other officer as the President may designate, when necessary to discharge liabilities under any such guaranty: *Provided*, That all guaranties issued after June 30, 1956, pursuant to this paragraph shall be considered [1](1) the purposes of sections 3679 (31 U.S.C. 665) and 3732 (41

U.S.C. 11) of the Revised Statutes, as amended, as obligations only to the extent of the probable ultimate net cost to the United States of such guaranties; and the President shall, in the submission to the Congress of the reports required by section 534 of this Act, include information on the operation of this paragraph: *Provided further,* That at all times funds shall be allocated to all outstanding guaranties issued prior to July 1, 1956, exclusive of informational media guaranties issued pursuant to section 1011 of the Act of January 27, 1948, as amended (22 U.S.C. 1442), and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended, equal to the sum of the face value of said guaranties. For the purpose of this paragraph the Director of the International Cooperation Administration or such other officer as the President may designate is authorized to issue notes (in addition to the notes heretofore issued pursuant to paragraph 111(c)(2) of the Economic Cooperation Act of 1948, as amended) in an amount not to exceed $37,500,000, and on the same terms and conditions applicable to notes issued pursuant to said paragraph 111(c)(2);

(G) the guaranty program authorized by this paragraph shall be used to the maximum practicable extent and shall be administered under broad criteria so as to facilitate and increase the participation of private enterprise in furthering the development of the economic resources and productive capacities of economically underdeveloped areas or, in the case of guaranties issued prior to January 1, 1960, on the basis of applications submitted prior to July 1, 1959, any of the purposes of this Act;

(H) as used in this paragraph—

(i) the term "person" means a citizen of the United States or any corporation, partnership, or other association created under the law of the United States or of any State or Territory and substantially beneficially owned by citizens of the United States, and

(ii) the term "investment" includes any contribution of capital goods, materials, equipment, services, patents, processes, or techniques by any person in the form of (1) a loan or loans to an approved project, (2) the purchase of a share of ownership in any such project, (3) participation in royalties, earnings, or profits of any such project, and (4) the furnishing of capital goods items and related services pursuant to a contract providing for payment in whole or in part after the end of the fiscal year in which the guaranty of such investment is made.

(c) Under the direction of the President, the Departments of State and Commerce and such other agencies of the Government as the President shall deem appropriate, in cooperation to the fullest extent practicable with private enterprise concerned with international trade, foreign investment, and business operations in foreign countries, shall conduct annual studies to keep the data up to date of the ways and means in which the role of the private sector of the national economy can be more effectively utilized and protected in carrying out the purposes of this Act, so as to promote the foreign policy of the United

States, to stabilize and to expand its economy and to prevent adverse effects, with special reference to areas of substantial labor surplus and to the net position of the United States in its balance of trade with the rest of the world. Such studies shall include specific recommendations for such legislative and administrative action as may be necessary to expand the role of private enterprise in advancing the foreign policy objectives of the United States.

(d) Under the direction of the President, the Department of State and such other agencies of the Government as the President shall deem appropriate shall conduct a study of methods by which the United States and other nations including those which are parties to regional agreements for economic cooperation to which the United States is a party, or any of them, might best together formulate and effectuate programs of assistance to strengthen the economies of free nations so as to advance the principal purposes of this Act, as stated in section 2 thereof.

SEC. 414. MUNITIONS CONTROL.—(a) The President is authorized to control, in furtherance of world peace and the security and foreign policy of the United States, the export and import of arms, ammunition, and implements of war, including technical data relating thereto, other than by a United States Government agency. The President is authorized to designate those articles which shall be considered as arms, ammunition, and implements of war, including technical data relating thereto, for the purposes of this section.

(b) As prescribed in regulations issued under this section, every person who engages in the business of manufacturing, exporting, or importing any arms, ammunition, or implements of war, including technical data relating thereto, designated by the President under subsection (a) shall register with the United States Government agency charged with the administration of this section, and, in addition, shall pay a registration fee which shall be prescribed by such regulations. Such regulations shall prohibit the return to the United States for sale in the United States (other than for the Armed Forces of the United States and its allies) of any military firearms or ammunition of United States manufacture furnished to foreign governments by the United States under this Act or any other foreign assistance program of the United States, whether or not advanced in value or improved in condition in a foreign country. This prohibition shall not extend to similar firearms that have been so substantially transformed as to become, in effect, articles of foreign manufacture.

(c) Any person who willfully violates any provision of this section or any rule or regulation issued under this section, or who willfully, in a registration or license application, makes any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading, shall upon conviction be fined not more than $25,000 or imprisoned not more than two years, or both.

SEC. 415. ASSISTANCE TO INTERNATIONAL ORGANIZATIONS.—Whenever it will assist in achieving purposes declared in this Act, the President is authorized to use funds available under sections 131 and 403 in order to furnish assistance, including by transfer of funds, directly to the North Atlantic Treaty Organization and the Organization for European Economic Cooperation, for a strategic stockpile of foodstuffs and other supplies, or for other purposes.

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SEC. 416. FACILITATION AND ENCOURAGEMENT OF TRAVEL.—The President, through such officer or commission as he may designate, shall facilitate and encourage, without cost to the United States except for administration expenses, the promotion and development of travel by citizens of the United States to and within countries receiving assistance under this Act and travel by citizens of such countries to the United States. To this end, under the direction of the President, the Departments of State and Commerce, the agency primarily responsible for administering nonmilitary assistance under this Act and such other agencies of the Government as the President shall deem appropriate, in cooperation to the fullest extent practicable with private enterprise concerned with international travel, shall conduct a study of barriers to international travel and ways and means of promoting, developing, encouraging, and facilitating such travel in the mutual interests of the United States and countries assisted under this Act.

SEC. 417. IRISH COUNTERPART.—Pursuant to section 115(b)(6) of the Economic Cooperation Act of 1948, as amended, the disposition within Ireland of the unencumbered balance, in the amount of approximately 6,000,000 Irish pounds, of the special account of Irish funds established under article IV of the Economic Cooperation Agreement between the United States of America and Ireland, dated June 28, 1948, for the purposes of—

(1) scholarship exchange between the United States and Ireland;

(2) other programs and projects (including the establishment of an Agricultural Institute) to improve and develop the agricultural production and marketing potential of Ireland and to increase the production and efficiency of Irish industry; and

(3) development programs and projects in aid of the foregoing objectives, is hereby approved, as provided in the agreement between the Government of the United States of America and the Government of Ireland, dated June 17, 1954.

SEC. 419. ATOMS FOR PEACE.—(a) The President is hereby authorized to furnish from funds made available pursuant to this section, in addition to other funds available for such purposes, and on such terms and conditions as he may specify, assistance designed to promote the peaceful uses of atomic energy abroad. There is hereby authorized to be appropriated to the President for the fiscal year [1960] *1961* not to exceed [$6,500,000] *$3,400,000* to carry out the purposes of this section.

(b) The United States share of the cost of any research reactor made available to another government under this section shall not exceed $350,000.

(c) In carrying out the purposes of this section, the appropriate United States departments and agencies shall give full and continuous publicity through the press, radio, and all other available mediums, so as to inform the peoples of the participating countries regarding the assistance, including its purpose, source, and character, furnished by the United States. Such portions of any research reactor furnished under this section as may be appropriately diestamped or labeled as a product of the United States shall be so stamped or labeled.

SEC. 420. MALARIA ERADICATION.—The Congress of the United States, recognizing that the disease of malaria, because of its widespread prevalence, debilitating effects, and heavy toll in human life,

constitutes a major deterrent to the efforts of many peoples to develop their economic resources and productive capacities and to improve their living conditions, and further recognizing that it now appears technically feasible to eradicate this disease, declares it to be the policy of the United States and the purpose of this section to assist other peoples in their efforts to eradicate malaria. The President is hereby authorized to use funds made available under this Act (other than chapter I and title II of chapter II) to furnish to such nations, organizations, persons or other entities as he may determine, and on such terms and conditions as he may specify, financial and other assistance to carry out the purpose of this section: *Provided*, That this section shall not affect the authority of the Development Loan Fund to make loans for such purposes, so long as such loans are made in accordance with the provisions of title II of chapter II.

Sec. 421. Loans to Small Farmers.—It is the policy of the United States and the purpose of this section to strengthen the economies of underdeveloped nations, and in nations where the economy is essentially rural or based on small villages, to provide assistance designed to improve agricultural methods and techniques, to stimulate and encourage the development of local programs of self-help and mutual cooperation, particularly through loans of foreign currencies to associations of operators of small farms, formed for the purpose of joint action designed to increase or diversify agricultural productivity. The maximum unpaid balance of loans made to any association under this section may not exceed $25,000 at any one time; and the aggregate unpaid balance of all loans made under this section may not exceed $10,000,000 at any one time.

Chapter III—Contingency Fund

Sec. 451. President's Special Authority and Contingency Fund.—(a) Of the funds made available for use under this Act, not to exceed $150,000,000, in addition to the funds authorized for use under this subsection by subsection (b) of this section, may be used in any fiscal year, without regard to the requirements of this Act or any other Act for which funds are authorized by this Act or any Act appropriating funds for use under this Act, in furtherance of any of the purposes of such Acts, when the President determines that such use is important to the security of the United States. Not to exceed $100,000,000 of the funds available under this subsection may be expended for any selected persons who are residing in or escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia, and Estonia or the Communist-dominated or Communist-occupied areas of Germany, or any Communist-dominated or Communist-occupied areas of Asia and any other countries absorbed by the Soviet Union, either to form such persons into elements of the military forces supporting the North Atlantic Treaty Organization or for other purposes, when the President determines that such assistance will contribute to the defense of the North Atlantic area or to the security of the United States. Certification by the President that he has expended amounts under this Act not in excess of $50,000,000, and that it is inadvisable to specify the nature of such expenditures, shall be deemed a sufficient voucher for such amounts. Not more than $30,000,000 of the funds available under this subsection may be allocated to any one nation in any fiscal year.

(b) There is hereby authorized to be appropriated to the President for the fiscal year [1960] *1961* not to exceed [$155,000,000] *$100,000,000* for assistance authorized by this Act, other than by title II of chapter II, in accordance with the provisions of this Act applicable to the furnishing of such assistance. $100,000,000 of the funds authorized to be appropriated pursuant to this subsection for any fiscal year may be used in such year in accordance with the provisions of subsection (a) of this section.

(c) It is the purpose of this Act to advance the cause of freedom. The Congress joins with the President of the United States in proclaiming the hope that the peoples who have been subjected to the captivity of Communist despotism shall again enjoy the right of self-determination within a framework which will sustain the peace; that they shall again have the right to choose the form of government under which they will live, and that sovereign rights of self-government shall be restored to them all in accordance with the pledge of the Atlantic Charter. Funds available under subsection (a) of this section may be used for programs of information, relief, exchange of persons, education, and resettlement, to encourage the hopes and aspirations of peoples who have been enslaved by communism.

Chapter IV—General and Administrative Provisions

Sec. 501. Transferability of Funds.—Whenever the President determines it to be necessary for the purposes of this Act, not to exceed 10 per centum of the funds made available pursuant to any provision of this Act may be transferred to and consolidated with the funds made available pursuant to any other provisions of this Act, and may be used for any of the purposes for which such funds may be used, except that the total in the provision for the benefit of which the transfer is made shall not be increased by more than 20 per centum of the amount made available for such provision pursuant to this Act.

Sec. 502. Use of Foreign Currency.—(a) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, proceeds of sales made under section 550 of the Mutual Security Act of 1951, as amended, shall remain available and shall be used for any purposes of this Act, giving particular regard to the following purposes—

(1) for providing military assistance to nations or mutual defense organizations eligible to receive assistance under this Act;

(2) for purchase of goods or services in friendly nations;

(3) for loans, under applicable provisions of this Act, to increase production of goods or services, including strategic materials, needed in any nation with which an agreement was negotiated, or in other friendly nations, with the authority to use currencies received in repayment for the purposes stated in this section or for deposit to the general account of the Treasury of the United States;

(4) for developing new markets on a mutually beneficial basis;

(5) for grants-in-aid to increase production for domestic needs in friendly countries; and

(6) for purchasing materials for United States stockpiles.

(b) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, local currencies owned by the United States shall be made available to appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946, as amended, and to the Joint Committee on Atomic Energy and the Joint Economic Committee and the Select Committees on Small Business of the Senate and House of Representatives for their local currency expenses: *Provided*, That each member or employee of any such committee shall make, to the chairman of such committee in accordance with regulations prescribed by such committee, an itemized report showing the amounts and dollar equivalent values of each such foreign currency expended, together with the purposes of the expenditure, including lodging, meals, transportation, and other purposes. Within the first sixty days that Congress is in session in each calendar year, the chairman of each such committee shall consolidate the reports of each member and employee of the committee and forward said consolidated report showing the total itemized expenditures of the committee and each subcommittee thereof during the preceding calendar year, to the Committee on House Administration of the House of Representatives (if the committee be a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Committee on Appropriations of the Senate (if the committee be a Senate committee or a joint committee whose funds are disbursed by the Secretary of the Senate). Each such report submitted by each committee shall be published in the Congressional Record within ten legislative days after receipt by the Committee on House Administration of the House or the Committee on Appropriations of the Senate.

SEC. 503. TERMINATION OF ASSISTANCE.—If the President determines that the furnishing of assistance to any nation under any provision of this Act—

(1) is no longer consistent with the national interest or security or the foreign policy of the United States; or

(2) would no longer contribute effectively to the purposes for which such assistance is furnished; or

(3) is no longer consistent with the obligations and responsibilities of the United States under the Charter of the United Nations,

he shall terminate all or part of any assistance furnished pursuant to this Act. If the President determines that any nation which is receiving assistance under chapter I of this Act is not making its full contribution to its own defense or to the defense of the area of which it is a part, he shall terminate all or part of such assistance. Assistance to any nation under any provision of this Act may, unless sooner terminated by the President, be terminated by concurrent resolution. Funds made available under this Act shall remain available for twelve months from the date of termination under this section for the necessary expenses of liquidating assistance programs.

(b) In any case in which the President determines that a nation has hereafter nationalized or expropriated the property of any person as defined in section 413(b) and has failed within six months of such nationalization or expropriation to take steps determined by the President to be appropriate to discharge its obligations under in-

ternational law toward such person, the President shall, unless he determines it to be inconsistent with the national interest, suspend assistance under this Act to such nation until he is satisfied that appropriate steps are being taken.

(c) The President shall include in his recommendations to the Congress for the fiscal year 1961 programs under this Act a specific plan for each country receiving bilateral grant assistance in the categories of defense support or special assistance whereby, wherever practicable, such grant assistance shall be progressively reduced and terminated.

SEC. 504. SMALL BUSINESS.—(a) Insofar as practicable and to the maximum extent consistent with the accomplishment of the purposes of this Act, the President shall assist American small business to participate equitably in the furnishing of commodities and services financed with funds authorized under chapter II of this Act—

(1) by causing to be made available to suppliers in the United States and particularly to small independent enterprises, information, as far in advance as possible, with respect to purchases proposed to be financed with such funds.

(2) by causing to be made available to prospective purchasers in the nations receiving assistance under this Act information as to commodities and services produced by small independent enterprises in the United States, and

(3) by providing for additional services to give small business better opportunities to participate in the furnishing of commodities and services financed with such funds.

(b) There shall be an Office of Small Business, headed by a Special Assistant for Small Business, in such United States Government agency as the President may direct, to assist in carrying out the provisions of subsection (a) of this section.

(c) The Secretary of Defense shall assure that there is made available to suppliers in the United States, and particularly to small independent enterprises, information with respect to purchases made by the Department of Defense pursuant to chapter I, such information to be furnished as far in advance as possible.

[(d) Of the funds appropriated pursuant to section 451(b) of this Act, the President is authorized to utilize not to exceed $2,500,000 for the fiscal year 1960 to make available to foreign small business concerns in underdeveloped countries, or to foreign government organizations established for the purpose of helping such concerns in underdeveloped countries, on such terms and conditions as he may determine, machine tools, industrial equipment, and other equipment owned by agencies of the United States Government.]

SEC. 505. LOAN ASSISTANCE AND SALES.—(a) Except as otherwise specifically provided in this Act, assistance under this Act may be furnished on a grant basis or on such terms, including cash, credit, or other terms of repayment (including repayment in foreign currencies or by transfer to the United States of materials required for stockpiling or other purposes) as may be determined to be best suited to the achievement of the purposes of this Act and shall emphasize loans rather than grants wherever possible. *Commodities, equipment, and materials transferred to the United States as repayment may be used for assistance authorized by this Act, other than title II of chapter*

II, in accordance with the provisions of this Act applicable to the furnishing of such assistance. Whenever commodities, equipment, materials, or services are sold for foreign currencies the President, notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, may use or enter into arrangements with friendly nations or organizations of nations to use such currencies for the purposes for which the funds providing the commodities, equipment, materials, or services which generated the currencies were appropriated.

(b) Funds for the purpose of furnishing assistance on terms of repayment may be allocated to the Export-Import Bank of Washington, which may, notwithstanding the provisions of the Export-Import Bank Act of 1945 (59 Stat. 526), as amended, make and administer the credit on such terms. Credits made by the Export-Import Bank of Washington with funds so allocated to it shall not be considered in determining whether the Bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945 (59 Stat. 529), as amended. United States dollars received in repayment of principal and payment of interest on any loan made under this section shall be deposited in miscellaneous receipts of the Treasury. Foreign currencies received in repayment of principal and payment of interest on any such loan which are in excess of the requirements as determined from time to time by the Secretary of State for purposes authorized in section 32(b)(2) of the Surplus Property Act of 1944, as amended (50 App. U.S.C. 1641(b)), may be sold by the Secretary of the Treasury to United States Government agencies for payment of their obligations abroad and the United States dollars received as reimbursement shall also be deposited into miscellaneous receipts of the Treasury. Foreign currencies so received which are in excess of the requirements of the United States in the payment of its obligations abroad, as such requirements may be determined from time to time by the President, shall be credited to and be available for the authorized purposes of the Development Loan Fund in such amounts as may be specified from time to time in appropriation Acts. Amounts received in repayment of principal and interest on any credits made under paragraph 111(c)(2) of the Economic Cooperation Act of 1948, as amended, shall be deposited into miscellaneous receipts of the Treasury, except that, to the extent required for such purpose, amounts received in repayment of principal and interest on any credits made out of funds realized from the sale of notes heretofore authorized to be issued for the purpose of financing assistance on a credit basis under paragraph 111(c)(2) of the Economic Cooperation Act of 1948, as amended, shall be deposited into the Treasury for the purpose of the retirement of such notes.

SEC. 506. PATENTS AND TECHNICAL INFORMATION.—(a) As used in this section—

(1) the term "invention" means an invention or discovery covered by a patent issued by the United States; and

(2) the term "information" means information originated by or peculiarly within the knowledge of the owner thereof and those in privity with him, which is not available to the public and is subject to protection as property under recognized legal principles.

(b) Whenever, in connection with the furnishing of any assistance in furtherance of the purposes of this Act—

(1) use within the United States, without authorization by the owner, shall be made of an invention; or

(2) damage to the owner shall result from the disclosure of information by reason of acts of the United States or its officers or employees,

the exclusive remedy of the owner of such invention or information shall be by suit against the United States in the Court of Claims or in the District Court of the United States for the district in which such owner is a resident for reasonable and entire compensation for unauthorized use or disclosure. In any such suit the United States may avail itself of any and all defenses, general or special, that might be pleaded by any defendant in a like action.

(c) Before such suit against the United States has been instituted, the head of the appropriate United States Government agency, which has furnished any assistance in furtherance of the purposes of this Act, is authorized and empowered to enter into an agreement with the claimant, in full settlement and compromise of any claim against the United States hereunder.

(d) The provisions of the last sentence of section 1498 of title 28 of the United States Code shall apply to inventions and information covered by this section.

(e) Except as otherwise provided by law, no recovery shall be had for any infringement of a patent committed more than six years prior to the filing of the complaint or counterclaim for infringement in the action, except that the period between the date of receipt by the Government of a written claim under subsection (c) above for compensation for infringement of a patent and the date of mailing by the Government of a notice to the claimant that his claim has been denied shall not be counted as part of the six years, unless suit is brought before the last-mentioned date.

SEC. 507. AVAILABILITY OF FUNDS.—Except as otherwise provided in this Act, funds shall be available to carry out the provisions of this Act (other than sections 414 and 416) as authorized and appropriated to the President each fiscal year.

SEC. 508. LIMITATION ON FUNDS FOR PROPAGANDA.—None of the funds herein authorized to be appropriated nor any counterpart funds shall be used to pay for personal services or printing, or for other expenses of the dissemination within the United States of general propaganda in support of the mutual security program, or to pay the travel or other expenses outside the United States of any citizen or group of citizens of the United States for the purpose of publicizing such program within the United States.

SEC. 509. SHIPPING ON UNITED STATES VESSELS.—The ocean transportation between foreign countries of commodities, materials, and equipment procured out of local currency funds made available or derived from funds made available under this Act or the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691 and the following), shall not be governed by the provisions of section 901(b) of the Merchant Marine Act of 1936, or any other law relating to the ocean transportation of commodities, materials, and equipment on United States flag vessels. Sales of fresh fruit and the products thereof under this Act shall be exempt from the require-

ments of the cargo preference laws (Public Resolution 17, Seventy-third Congress, and section 901(b) of the Merchant Marine Act, 1936, as amended).

SEC. 510. PURCHASE OF COMMODITIES.—No funds made available under title I of chapter II of this Act shall be used for the purchase in bulk of any commodities at prices higher than the market price prevailing in the United States at the time of purchase adjusted for differences in the cost of transportation to destination, quality, and terms of payment. A bulk purchase within the meaning of this section does not include the purchase of raw cotton in bales. Funds made available under title I or II of chapter II of this Act may be used for the procurement of commodities outside the United States unless the President determines that such procurement will result in adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, or to the net position of the United States in its balance of trade with the rest of the world, which outweigh the economic advantages to the United States of less costly procurement abroad. In providing for the procurement of any surplus agricultural commodity for transfer by grant under this Act to any recipient nation in accordance with the requirements of such nation, the President shall, insofar as practicable and where in furtherance of the purposes of this Act, authorize the procurement of such surplus agricultural commodity only within the United States except to the extent that any such surplus agricultural commodity is not available in the United States in sufficient quantities to supply the requirements of the nations receiving assistance under this Act.

SEC. 511. RETENTION AND RETURN OF EQUIPMENT.—(a) No equipment or materials may be transferred under chapter I or title I of chapter II out of military stocks if the Secretary of Defense, after consultation with the Joint Chiefs of Staff, determines that such transfer would be detrimental to the national security of the United States, or that such equipment or materials are needed by the reserve components of the Armed Forces to meet their training requirements.

(b) Any equipment, materials, or commodities procured to carry out this Act shall be retained by, or, upon reimbursement, transferred to and for the use of, such United States Government agency as the President may determine in lieu of being disposed of to a foreign nation or international organization whenever in the judgment of the President the best interests of the United States will be served thereby, or whenever such retention is called for by concurrent resolution. Any commodities so retained may be disposed of without regard to provisions of law relating to the disposal of Government-owned property, when necessary to prevent spoilage or wastage of such commodities or to conserve the usefulness thereof. Funds realized from any such disposal or transfer shall revert to the respective appropriation or appropriations out of which funds were expended for the procurement of such equipment, materials, or commodities or to appropriations currently available for such procurement.

(c) The President shall make appropriate arrangements with each nation receiving equipment or materials on a grant basis under chapter I for the return to the United States (1) for salvage or scrap, or (2) for such other disposition as the President shall deem to be in the interest of mutual security, of any such equipment or materials

which are no longer required for the purposes for which originally made available.

SEC. 512. PENAL PROVISION.—Whoever offers or gives to anyone who is or in the preceding two years has been an employee or officer of the United States any commission, payment, or gift, in connection with the procurement of equipment, materials, commodities, or services under this Act in connection with which procurement said officer, employee, former officer or former employee is or was employed or performed duty or took any action during such employment, and whoever, being or having been an employee or officer of the United States in the preceding two years, solicits, accepts, or offers to accept any commission, payment, or gift in connection with the procurement of equipment, materials, commodities, or services under this Act in connection with which procurement said officer, employee, former officer or former employee is or was employed or performed duty or took any action during such employment, shall upon conviction thereof be subject to a fine not to exceed $10,000 or imprisonment for not to exceed three years, or both: *Provided,* That this section shall not apply to persons appointed pursuant to sections 308 or 530(a) of this Act.

SEC. 513. NOTICE TO LEGISLATIVE COMMITTEES.—When any transfer is made under section 501, or any other action is taken under this Act which will result in furnishing assistance of a kind, for a purpose, or to an area, substantially different from that included in the presentation to the Congress during its consideration of this Act or Acts appropriating funds pursuant to authorizations contained in this Act or which will result in expenditures greater by 50 per centum or more than the proposed expenditures included in such presentation for the program concerned, the President or such officer as he may designate shall promptly notify the Committee on Foreign Relations and, when military assistance is involved, the Committee on Armed Services of the Senate, and the Speaker of the House of Representatives, stating the justification for such changes. Notice shall also be given to the Committee on Foreign Relations of the Senate and the Speaker of the House of Representatives of any determination under the first sentence of section 451 (except with respect to unvouchered funds) *and under the last clause of the second sentence of section 404,* and copies of any certification as to loyalty under section 531 shall be filed with them.

SEC. 514. INTERNATIONAL EDUCATIONAL EXCHANGE ACTIVITIES.—Foreign currencies or credits owed to or owned by the United States, where arising from this Act or otherwise, shall, upon a request from the Secretary of State certifying that such funds are required for the purpose of international educational exchange activities under programs authorized by section 32(b)(2) of the Surplus Property Act of 1944, as amended, be reserved by the Secretary of the Treasury for sale to the Department of State for such activities on the basis of the dollar value at the time of the reservation.

SEC. 515. AUTHORIZATION FOR GRANT OF CONTRACT AUTHORITY.—Provisions in this Act authorizing the appropriation of funds shall be construed to authorize the granting in any appropriation Act of authority to enter into contracts, within the amounts so authorized to be appropriated, creating obligations in advance of appropriations.

SEC. 516. PROHIBITION AGAINST DEBT RETIREMENT.—None of the funds made available under this Act nor any of the counterpart funds generated as a result of assistance under this Act or any other Act

shall be used to make payments on account of the principal or interest on any debt of any foreign government or on any loan made to such government by any other foreign government; nor shall any of these funds be expended for any purpose for which funds have been withdrawn by any recipient country to make payment on such debts: *Provided*, That to the extent that funds have been borrowed by any foreign government in order to make a deposit of counterpart and such deposit is in excess of the amount that would be required to be deposited pursuant to the formula prescribed by section 142(b) of this Act, such counterpart may be used in such country for any agreed purpose consistent with the provisions of this Act.

SEC. 517. COMPLETION OF PLANS AND COST ESTIMATES.—(*a*) After June 30, 1958, no agreement or grant which constitutes an obligation of the United States in excess of $100,000 under section 1311 of the Supplemental Appropriation Act, 1955, shall be made for any assistance authorized under title I, II, or III (except section 306) of chapter II, or section 400(a)—

(1) if such agreement or grant requires substantive technical or financial planning, until engineering, financial, and other plans necessary to carry out such assistance, and a reasonably firm estimate of the cost to the United States of providing such assistance, have been completed; and

(2) if such agreement or grant requires legislative action within the recipient country, unless such legislative action may reasonably be anticipated to be completed within one year from the date the agreement or grant is made.

This section shall not apply to any assistance furnished for the sole purpose of preparation of engineering, financial, and other plans. To the maximum extent practicable, all contracts for construction outside the United States made in connection with any agreement or grant subject to this section, except any agreement for assistance authorized under title II of chapter II, shall be made on a competitive basis.

(*b*) *All nonmilitary flood control, reclamation, and other water and related land resource programs or projects proposed for construction under titles I, II, or III (except section 306) of chapter II, under section 400, or under section 451 of this Act, shall be examined by qualified engineers, financed under this Act, in accordance with the general procedures prescribed in circular A–47 of the Bureau of the Budget, dated December 31, 1952, for flood control, reclamation, and other water and related land resource programs and projects proposed for construction within the continental limits of the United States of America. In all cases the benefits and costs shall be determined, and a copy of the determination shall be submitted to the Speaker of the House of Representatives and the Foreign Relations Committee and the Appropriations Committee of the Senate. No such program or project shall be undertaken on which the benefits do not exceed the costs and which does not otherwise meet the standards and criteria used in determining the feasibility of flood control, reclamation, and other water and related land resource programs and projects proposed for construction within the continental limits of the United States of America as per circular A–47 of the Bureau of the Budget, dated December 31, 1952.*

SEC. 521. DELEGATION OF AUTHORITY BY THE PRESIDENT.—(a) Except as provided in subsection (b) and section 413(b)(4), the President may exercise any power or authority conferred on him by this

Act through such agency or officer of the United States as he shall direct, and the head of such agency or such officer may from time to time promulgate such rules and regulations as may be necessary and proper to carry out functions under this Act and may delegate authority to perform any of such functions to his subordinates acting under his direction.

(b) After June 30, 1955, the President shall exercise the powers conferred upon him under title III of chapter II of this Act through the Secretary of State.

(c) The President shall continue to exercise the powers conferred on him under title I of chapter II, relating to defense support, only through the Secretary of State and his subordinates.

SEC. 522. ALLOCATION AND REIMBURSEMENT AMONG AGENCIES.—(a) The President may allocate or transfer to any United States Government agency any part of any funds available for carrying out the purposes of this Act, including any advance to the United States by any nation or international organization for the procurement of equipment or materials or services. Such funds shall be available for obligation and expenditure for the purposes for which authorized, in accordance with authority granted in this Act or under authority governing the activities of the Government agencies to which such funds are allocated or transferred. Funds allocated to the Department of Defense shall be governed as to reimbursement by the procedures of subsection (c) of this section.

(b) Any officer of the United States performing functions under this Act may utilize the services and facilities of, or procure commodities from, any United States Government agency as the President shall direct, or with the consent of the head of such agency, and funds allocated pursuant to this subsection to any such agency may be established in separate appropriation accounts on the books of the Treasury. The Administrator of General Services is authorized to maintain in a separate consolidated account, which shall be free from fiscal year limitations, payments received by the General Services Administration for administrative surcharges in connection with procurement services performed by the General Services Administration in furtherance of the purposes of this Act. Such payments shall be in amounts mutually acceptable to the General Services Administration and the United States Government agency which finances the procurement, and these amounts shall be available for administrative expenses incurred by the General Services Administration in performing such procurement services.

(c) Reimbursement shall be made to any United States Government agency, from funds available to carry out chapter I of this Act, for any assistance furnished under that chapter from, by, or through such agency. Such reimbursement shall be in an amount equal to the value (as defined in section 545) of the equipment and materials, services (other than salaries of members of the Armed Forces of the United States), or other assistance furnished, plus expenses arising from or incident to operations under that chapter. The amount of any such reimbursement shall be credited as reimbursable receipts to current applicable appropriations, funds, or accounts of such agency and shall be available for, and under the authority applicable to, the purposes for which such appropriations, funds, or accounts are authorized to be used, including the procurement of equipment and materials

or services, required by such agency, in the same general category as those furnished by it or authorized to be procured by it and expenses arising from and incident to such procurement.

(d) In the case of any commodity, service, or facility procured from any United States Government agency under any provision of this Act other than chapter I, reimbursement or payment shall be made to such agency from funds available to carry out such provision. Such reimbursement or payment shall be at replacement cost, or, if required by law, at actual cost, or at any other price authorized by law and agreed to by the owning or disposal agency. The amount of any such reimbursement or payment shall be credited to current applicable appropriations, funds, or accounts from which there may be procured replacements of similar commodities, services, or facilities, except that where such appropriations, funds, or accounts are not reimbursable except by reason of this subsection, and when the owing agency determines that such replacement is not necessary, any funds received in payment therefor shall be covered into the Treasury as miscellaneous receipts.

(e) In furnishing assistance under this Act and in making surplus agricultural commodities available under section 402 accounts may be established on the books of any United States Government agency or, on terms and conditions approved by the Secretary of the Treasury, in banking institutions in the United States, against which (i) letters of commitment may be issued which shall constitute obligations of the United States, and moneys due or to become due under such letters of commitment shall be assignable under the Assignment of Claims Act of 1940, as amended, and (ii) withdrawals may be made by recipient nations or agencies, organizations or persons upon presentation of contracts, invoices, or other appropriate documentation. Expenditure of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditure of Government funds: *Provided*, That such expenditures for commodities or services procured outside the continental limits of the United States may be accounted for exclusively on such certification as may be prescribed in regulations approved by the Comptroller General of the United States.

(f) Any appropriation made to carry out the provisions of this Act may initially be charged, within the limits of available funds, to finance expenses for which funds are available in other appropriations made under this Act: *Provided*, That as of the end of the same fiscal year such expenses shall be finally charged to applicable appropriations with proper credit to the appropriations initially utilized for financing purposes.

SEC. 523. COORDINATION WITH FOREIGN POLICY.—(a) Nothing contained in this Act shall be construed to infringe upon the powers or functions of the Secretary of State.

(b) The President shall prescribe appropriate procedures to assure coordination among representatives of the United States Government in each country, under the leadership of the Chief of the United States Diplomatic Mission. The Chief of the Diplomatic Mission shall make sure that recommendations of such representatives pertaining to military assistance are coordinated with political and economic considerations, and his comments shall accompany such recommendations if he so desires.

(c) Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of the assistance programs authorized by this Act, including but not limited to determining whether there shall be a military assistance program for a country and the value thereof, to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby.

SEC. 524. THE SECRETARY OF DEFENSE.—(a) In the case of aid under chapter I of this Act, the Secretary of Defense shall have primary responsibility for—

(1) the determination of military end-item requirements;

(2) the procurement of military equipment in a manner which permits its integration with service programs;

(3) the supervision of end-item use by the recipient countries;

(4) the supervision of the training of foreign military personnel;

(5) the movement and delivery of military end-items; and

(6) within the Department of Defense, the performance of any other functions with respect to the furnishing of military assistance.

(b) The establishment of priorities in the procurement, delivery, and allocation of military equipment shall be determined by the Secretary of Defense.

SEC. 525. FOREIGN OPERATIONS ADMINISTRATION.—The President may transfer to any agency or officer of the United States, and may modify or abolish, any function, office, or entity of the Foreign Operations Administration (including any function, office or entity thereof transferred to any other agency) or any officer or employee thereof, and may transfer such personnel, property, records, and funds as may be necessary incident thereto: *Provided*, That such authority conferred by this sentence shall be exercised in accordance with applicable laws and regulations relating to the Civil Service and Veterans' Preference.

SEC. 526. MISSIONS AND STAFFS ABROAD.—The President may maintain special missions or staffs abroad in such nations and for such periods of time as may be necessary to carry out this Act. Such special mission or staff shall be under the direction of a chief. The chief and his deputy shall be appointed by the President and may, notwithstanding any other law, be removed by the President at his discretion. The chief shall be entitled to receive (1) in cases approved by the President, the same compensation and allowances as a chief of mission, class 3, or a chief of mission, class 4, within the meaning of the Foreign Service Act of 1946 (22 U.S.C. 801), or (2) compensation and allowances in accordance with section 527(c) of this Act, as the President shall determine to be appropriate. If a Foreign Service Officer shall be appointed by the President to a position under this section, the period of his service in such capacity shall be considered as constituting an assignment for duty within the meaning of section 571 of the Foreign Service Act of 1946, as amended, and such person shall not, by virtue of his acceptance of such an assignment, lose his status as a Foreign Service Officer.

SEC. 527. EMPLOYMENT OF PERSONNEL.—(a) Any United States Government agency performing functions under this Act is authorized to employ such personnel as the President deems necessary to carry out the provisions and purposes of this Act.

(b) Of the personnel employed in the United States on programs authorized by this Act, not to exceed [seventy] *seventy-four* may be compensated without regard to the provisions of the Classification Act of 1949, as amended, of whom not to exceed [forty-five] *forty-nine* may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended, and of these, not to exceed fifteen may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per annum. Such positions shall be in addition to those authorized by law to be filled by Presidential appointment, and in addition to the number authorized by section 505 of the Classification Act of 1949, as amended. One of the offices established by section 1(d) of Reorganization Plan Numbered 7 of 1953 may, notwithstanding the provisions of any other law, be compensated at a rate not in excess of $20,000 per annum.

(c) For the purpose of performing functions under this Act outside [the continental limits of] the United States, the [Director] *President* may—

(1) employ or assign persons, or authorize the employment or assignment of officers or employees of other United States Government agencies, who shall receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service Act of 1946, as amended (22 U.S.C. 801), together with allowances and benefits established thereunder including, in all cases, post differentials prescribed under section 443 of the Foreign Service Act; and persons so employed or assigned shall be entitled, except to the extent that the President may specify otherwise in cases in which the period of the employment or assignment exceeds thirty months, to the same benefits as are provided by section 528 of the Foreign Service Act for persons appointed to the Foreign Service Reserve and, except for policy-making officials, the provisions of section 1005 of the Foreign Service Act shall apply in the case of such persons; and

(2) utilize such authority, including authority to appoint and assign personnel for the duration of operations under this Act, contained in the Foreign Service Act of 1946, as amended (22 U.S.C. 801), as the President deems necessary to carry out functions under this Act. Such provisions of the Foreign Service Act as the President deems appropriate shall apply to personnel appointed or assigned under this paragraph, including, in all cases, the provisions of sections 443 and 528 of that Act: *Provided, however,* That the President may by regulation make exceptions to the application of section 528 in cases in which the period of the appointment or assignment exceeds thirty months*: Provided further, That Foreign Service Reserve Officers appointed or assigned pursuant to this paragraph shall receive in-class promotions in accordance with such regulations as the President may prescribe.*

(d) For the purpose of performing functions under this Act outside [the continental limits of] the United States, the Secretary of State may[, at the request of the Director,] appoint for the duration of operations under this Act alien clerks and employees in accordance with applicable provisions of the Foreign Service Act of 1946, as amended (22 U.S.C. 801).

(e) Notwithstanding the provisions of title 10, United States Code, section 712, or any other law containing similar authority, officers and employees of the United States performing functions under this Act shall not accept from any foreign nation any compensation or other benefits. Arrangements may be made by the President with such nations for reimbursement to the United States or other sharing of the cost of performing such functions.

SEC. 528. DETAIL OF PERSONNEL TO FOREIGN GOVERNMENTS.—(a) Whenever the President determines it to be consistent with and in furtherance of the purposes of this Act, the head of any United States Government agency is authorized to detail or assign any officer or employee of his agency to any office or position to which no compensation is attached with any foreign government or foreign government agency: *Provided*, That such acceptance of office shall in no case involve the taking of an oath of allegiance to another government.

(b) Any such officer or employee, while so assigned or detailed, shall be considered, for the purpose of preserving his privileges, rights, seniority, or other benefits as such, an officer or employee of the Government of the United States and of the Government agency from which assigned or detailed, and he shall continue to receive compensation, allowances, and benefits from funds available to that agency or made available to that agency out of funds authorized under this Act.

SEC. 529. DETAIL OF PERSONNEL TO INTERNATIONAL ORGANIZATIONS.—(a) Whenever the President determines it to be consistent with and in furtherance of the purposes of this Act, the head of any United States Government agency is authorized to detail, assign, or otherwise make available to any international organization any officer or employee of his agency to serve with or as a member of the international staff of such organization, or to render any technical, scientific or professional advice or service to or in cooperation with such organization.

(b) Any such officer or employee, while so assigned or detailed, shall be considered, for the purpose of preserving his allowances, privileges, rights, seniority and other benefits as such, an officer or employee of the Government of the United States and of the Government agency from which detailed or assigned, and he shall continue to receive compensation, allowances, and benefits from funds available to that agency or made available to that agency out of funds authorized under this Act. He may also receive under such regulations as the President may prescribe, representation allowances similar to those allowed under section 901 of the Foreign Service Act of 1946, as amended (22 U.S.C. 801). The authorization of such allowances and other benefits and the payment thereof out of any appropriations available therefor shall be considered as meeting all the requirements of section 1765 of the Revised Statutes.

(c) Details or assignments may be made under this section—

(1) without reimbursement to the United States by the international organization;

(2) upon agreement by the international organization to reimburse the United States for compensation, travel expenses, and allowances, or any part thereof payable to such officer or employee during the period of assignment or detail in accordance with subsection (b) of this section; and such reimbursement shall

be credited to the appropriation, fund, or account utilized for paying such compensation, travel expenses or allowances, or to the appropriation, fund, or account currently available for such purposes;

(3) upon an advance of funds, property, or services to the United States accepted with the approval of the President for specified uses in furtherance of the purposes of this Act; and funds so advanced may be established as a separate fund in the Treasury of the United States, to be available for the specified uses, and to be used for reimbursement of appropriations or direct expenditure subject to the provisions of this Act, any unexpended balance of such account to be returned to the international organization; or

(4) subject to the receipt by the United States of a credit to be applied against the payment by the United States of its share of the expenses of the international organization to which the officer or employee is detailed, such credit to be based upon the compensation, travel expenses and allowances, or any part thereof, payable to such officer or employee during the period of assignment or detail in accordance with subsection (b) of this section.

SEC. 530. EXPERTS AND CONSULTANTS OR ORGANIZATIONS THEREOF.—(a) Experts and consultants or organizations thereof, as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), may be employed by any United States Government agency for the performance of functions under this Act, and individuals so employed may be compensated at rates not in excess of $75 per diem, and while away from their homes or regular places of business, they may be paid actual travel expenses and per diem in lieu of subsistence and other expenses at a rate not to exceed $10 or at the applicable rate prescribed in the Standardized Government Travel Regulations, as amended from time to time, whichever is higher, while so employed within [the continental limits of] the United States and at the applicable rate prescribed in the Standardized Government Travel Regulations (Foreign Areas) while so employed outside the continental limits of the United States: *Provided*, That contracts for such employment with such organizations may be renewed annually.

(b) Persons of outstanding experience and ability may be employed without compensation by any United States Government agency for the performance of functions under this Act in accordance with the provisions of section 710(b) of the Defense Production Act of 1950, as amended (50 U.S.C. App. 2160), and regulations issued thereunder.

[SEC. 531. SECURITY CLEARANCE.—No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Director under this Act for a period to exceed three months unless—

[(a) such individual has been investigated as to loyalty and security by the Civil Service Commission, or by the Federal Bureau of Investigation in the case of specific positions which have been certified by the Director as being of a high degree of importance or sensitivity or in case the Civil Service Commission investigation develops data reflecting that the individual is of questionable loyalty, and a report thereon has been made to the Director, and until the Director has certified in writing (and filed copies thereof with the Senate Committee on Foreign Relations

and the House Committee on Foreign Affairs) that, after full consideration of such report, he believes such individual is loyal to the United States, its Constitution, and form of government, and is not now and has never knowingly been a member of any organization advocating contrary views; or

[(b) such individual has been investigated by a military intelligence agency and the Secretary of Defense has certified in writing that he believes such individual is loyal to the United States and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs.

[This section shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate, nor shall it apply in the case of any person already employed under programs covered by this Act who has been previously investigated in connection with such employment.]

Sec. 531. Security Clearance.—The standards and procedures set forth in Executive Order Numbered 10450, as amended or supplemented, shall apply to the employment under this Act by any agency administering nonmilitary assistance of any citizen or resident of the United States.

Sec. 532. Exemption of Personnel From Certain Federal Laws.—(a) Service of an individual as a member of the Board established pursuant to section 308 of this Act or as an expert or consultant under section 530(a) shall not be considered as service or employment bringing such individual within the provisions of title 18, U.S.C., section 281, 283 or 284, or of section 190 of the Revised Statutes (5 U.S.C. 99), or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States, except insofar as such provisions of law may prohibit any such individual from receiving compensation in respect of any particular matter in which such individual was directly involved in the performance of such service; nor shall such service be considered as employment or holding of office or position bringing such individual within the provisions of section 6 of the Act of May 22, 1920, as amended (5 U.S.C. 715), section 212 of the Act of June 30, 1932, as amended (5 U.S.C. 59a), or any other Federal law limiting the reemployment of retired officers or employees or governing the simultaneous receipt of compensation and retired pay or annuities. Contracts for the employment of retired military personnel with specialized research and development experience, not to exceed ten in number, as experts or consultants under section 530(a), may be renewed annually, notwithstanding section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

(b) Notwithstanding section 2 of the Act of July 31, 1894 (5 U.S.C. 62), which prohibits certain retired officers from holding certain office, any retired officer of any of the services mentioned in the Career Compensation Act of 1949 may hold any office or appointment under this Act or the Mutual Defense Assistance Control Act of 1951, but the compensation of any such retired officer shall be subject to the provisions of the Act of June 30, 1932 (5 U.S.C. 59a), which does not permit retired pay to be added to the compensation received as a civilian officer.

SEC. 533. WAIVERS OF CERTAIN FEDERAL LAWS.—Whenever the President determines it to be in furtherance of purposes declared in this Act, the functions authorized under this Act may be performed without regard to such provisions of law (other than the Renegotiation Act of 1951, as amended) regulating the making, performance, amendment, or modification of contracts and the expenditure of Government funds as the President may specify.

SEC. 533A. INSPECTOR GENERAL AND COMPTROLLER.—(a) There is hereby established in the Department of State an office to be known as the "Office of the Inspector General and Comptroller", which shall be headed by an officer designated as the "Inspector General and Comptroller", whose salary shall be fixed at the annual rate of $19,000, and who shall be appointed by the Secretary of State and be responsible to an Under Secretary of State designated for such purpose by the Secretary of State. In addition, there shall be a Deputy Inspector General and Comptroller, whose salary shall not exceed the maximum rate provided under the General Schedule of the Classification Act of 1949, as amended, and such other personnel as may be required to carry out the functions vested in the Inspector General and Comptroller by or pursuant to this section.

(b) There are hereby transferred to the Inspector General and Comptroller all functions, powers, and duties of the Office of Evaluation of the International Cooperation Administration, and so much of the functions, powers, and duties of the Office of Personnel Security and Integrity as relate to investigations of improper activities in connection with programs under the International Cooperation Administration.

(c) The Inspector General and Comptroller shall have the following duties, in addition to those duties transferred to him under subsection (b) of this section:

(1) Establishing or reviewing and approving a system of financial controls over programs of assistance authorized by this Act to insure compliance with applicable laws and regulations;

(2) Advising and consulting with the Secretary of Defense or his delegate with respect to the controls, standards, and procedures established or approved under this section insofar as such controls, standards, and procedures relate to assistance furnished under chapter I of this Act;

(3) Establishing or reviewing and approving policies and standards providing for extensive internal audits of programs of assistance authorized by this Act;

(4) Reviewing and approving internal audit programs under this section, and coordinating such programs with the appropriate officials of other Government departments in order to insure maximum audit coverage and to avoid duplication of effort;

(5) Reviewing audit findings and recommendations of operating agencies and the action taken thereon, and making recommendations with respect thereto to the Under Secretary of State and other appropriate officials;

(6) Conducting or requiring the conduct of such special audits as in his judgment may be required in individual cases, and of inspections with respect to end-item use in foreign countries;

(7) Establishing or reviewing and approving a system of financial and statistical reporting with respect to all programs of assistance authorized by this Act;

(8) Advising the Under Secretary of State and other appropriate officials on fiscal and budgetary aspects of proposed programs of assistance authorized by this Act;

[(9) Designing the form and prescribing the financial and statistical content of the annual program presentation to the Congress;]

[(10)](*9*) Coordinating and cooperating with the General Accounting Office in carrying out his duties, to the extent that such duties are within areas of responsibility of the General Accounting Office; and

[(11)](*10*) Carrying out such other duties as may be vested in him by the Under Secretary of State.

(d) Expenses of the Office of the Inspector General and Comptroller with respect to programs under this Act shall be charged to the appropriations made to carry out such programs: *Provided*, That all documents, papers, communications, audits, reviews, findings, recommendations, reports, and other material which relate to the operation or activities of the Office of Inspector General and Comptroller shall be furnished to the General Accounting Office and to any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation or appropriation for, or expenditures of, such Office, upon request of the General Accounting Office or such committee or subcommittee as the case may be.

SEC. 534. REPORTS.—(a) The President, from time to time while funds appropriated for the purpose of this Act continue to be available for obligation, shall transmit to the Congress reports covering each [six months] *fiscal year* of operations, in furtherance of the purposes of this Act, except information the disclosure of which he deems incompatible with the security of the United States. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session. Such reports shall include detailed information on the implementation of sections 504, 202, 400, 416, 413(b), and 418 of this Act.

(b) All documents, papers, communications, audits, reviews, findings, recommendations, reports, and other material which relate to the operation or activities of the International Cooperation Administration shall be furnished to the General Accounting Office and to any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation or appropriation for, or expenditures of, such Administration, upon request of the General Accounting Office or such committee or subcommittee as the case may be.

SEC. 535. COOPERATION WITH NATIONS AND INTERNATIONAL ORGANIZATIONS.—(a) The President is authorized to request the cooperation of or the use of the services and facilities of the United Nations, its organs and specialized agencies, or other international organizations, in carrying out the purposes of this Act, and may make payments by advancements or reimbursements, for such purposes, out of funds made available for the purposes of this Act, as may be necessary

therefor, to the extent that special compensation is usually required for such services and facilities: *Provided,* That nothing in this section shall be construed to authorize the delegation to any international or foreign organization or agency of authority to decide the method of furnishing assistance under this Act to any country or the amount thereof.

(b) Whenever the President determines it to be consistent with and in furtherance of the purposes and within the limitations of this Act, United States Government agencies, on request of international organizations, are authorized to furnish supplies, materials, and services, and on request of free nations, are authorized to furnish nonmilitary supplies, materials, and services, to such organizations and nations on an advance of funds or reimbursement basis. Such advances, or reimbursements which are received under this subsection within one hundred and eighty days after the close of the fiscal year in which such supplies, materials, and services are delivered, may be credited to the current applicable appropriation or fund of the agency concerned and shall be available for the purposes for which such appropriations and funds are used.

SEC. 536. JOINT COMMISSION ON RURAL RECONSTRUCTION IN CHINA.—The President is authorized to continue to participate in the Joint Commission on Rural Reconstruction in China and to appoint citizens of the United States to the Commission.

SEC. 537. PROVISIONS ON USES OF FUNDS.—(a) Appropriations for the purposes of this Act (except for chapter I), allocations to any United States Government agency, from other appropriations, for functions directly related to the purposes of this Act, and funds made available for other purposes to any agency administering nonmilitary assistance, shall be available for—

(1) rents in the District of Columbia;

(2) expenses of attendance at meetings concerned with the purposes of such appropriations, including (notwithstanding the provisions of section 9 of the Act of March 4, 1909 (31 U.S.C. 673)) expenses in connection with meetings of persons whose employment is authorized by section 530 of this Act;

(3) [employment of aliens, by contract, for services abroad] *contracting with individuals for personal services abroad: Provided, That such individuals shall not be regarded as employees of the United States for the purpose of any law administered by the Civil Service Commission;*

(4) purchase, maintenance, operation, and hire of aircraft: *Provided,* That aircraft for administrative purposes may be purchased only as specifically provided for in an appropriation or other Act;

(5) purchase and hire of passenger motor vehicles: *Provided,* That, except as may otherwise be provided in an appropriation or other Act, passenger motor vehicles abroad for administrative purposes may be purchased for replacement only and such vehicles may be exchanged or sold and replaced by an equal number of such vehicles and the cost, including exchange allowance, of each such replacement shall not exceed $3,500 in the case of an automobile for the chief of any special mission or staff abroad established under section 526 of this Act: *Provided further,* That passenger motor vehicles may be purchased for use in the [con-

tinental] United States only as may be specifically provided in an appropriation or other Act;

(6) entertainment within the United States (not to exceed $15,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act);

(7) exchange of funds without regard to section 3651 of the Revised Statutes (31 U.S.C. 543), and loss by exchange;

(8) expenditures (not to exceed $50,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act) of a confidential character other than entertainment: *Provided*, That a certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by an officer administering nonmilitary assistance, or such person as he may designate, and every such certificate shall be deemed a sufficient voucher for the amount therein specified;

(9) insurance of official motor vehicles in foreign countries;

(10) rental or lease outside [the continental limits of] the United States of offices, buildings, grounds, and living quarters to house personnel; maintenance, furnishings, necessary repairs, improvements, and alterations to properties owned or rented by the United States Government abroad; and costs of fuel, water and utilities for such properties;

(11) actual expenses of preparing and transporting to their former homes in the United States or elsewhere, and of care and disposition of, the remains of persons or member of the families of persons who may die while such persons are away from their homes participating in activities carried out with funds covered by this subsection (a);

(12) purchase of uniforms;

(13) payment of per diem in lieu of subsistence to foreign participants engaged in any program of furnishing technical information and assistance, while such participants are away from their homes in countries other than the [continental] United States, at rates not in excess of those prescribed by the Standardized Government Travel Regulations, notwithstanding any other provision of law;

(14) expenses authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801 and the following), not otherwise provided for;

(15) ice and drinking water for use abroad;

(16) services of commissioned officers of the Public Health Service and of the Coast and Geodetic Survey, and for the purposes of providing such services the Public Health Service may appoint not to exceed twenty officers in the regular corps to grades above that of senior assistant, but not above that of director, as otherwise authorized in accordance with section 711 of the Act of July 1, 1944, as amended (42 U.S.C. 211a), and the Coast and Geodetic Survey may appoint for such purposes not to exceed twenty commissioned officers in addition to those otherwise authorized;

(17) expenses in connection with travel of personnel outside the [continental] United States, including travel expenses of dependents (including expenses during necessary stopovers while engaged in such travel) and transportation of personal effects,

household goods, and automobiles of such personnel when any part of such travel or transportation begins in one fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during that same fiscal year, and cost of transporting to and from a place of storage, and the cost of storing, the furniture and household and personal effects of any employee (i) for not to exceed three months after first arrival at a new post, (ii) when an employee is assigned to a post to which he cannot take, or at which he is unable to use, his furniture and household and personal effects, (iii) when such storage would avoid the cost of transporting such furniture and effects from one location to another, (iv) when he is temporarily absent from his post under orders, or (v) when through no fault of the employee, storage costs are incurred on such furniture and effects (including automobiles) in connection with authorized travel, under such regulations as an officer administering nonmilitary assistance, or such person as he may designate, may prescribe;

(18) payment of unusual expenses incident to the operation and maintenance of official residences for chiefs of special missions or staffs serving in accordance with section 526 of this Act.

(b) United States Government agencies are authorized to pay the costs of health and accident insurance for foreign participants in any exchange-of-persons program or any program of furnishing technical information and assistance administered by any such agency while such participants are en route or absent from their homes for purposes of participation in any such program.

(c) Notwithstanding the provisions of section 406(a) of Public Law 85–241, not to exceed $27,750,000, of the funds available for assistance in Korea under this Act may be used by the President to construct or otherwise acquire essential living quarters, office space, and supporting facilities in Korea for use by personnel carrying out activities under this Act, and not to exceed [$2,750,000] *$4,250,000* of funds made available for assistance in other countries under this Act may be used (in addition to funds available for such use under other authorities in this Act) for construction or acquisition of such facilities for such purposes elsewhere.

(d) Funds made available under section 400(a) may be used for expenses (other than those provided for under section 411(b) of this Act) to assist in carrying out functions under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691 and the following), delegated or assigned to any agency or officer administering nonmilitary assistance.

(e) Funds available under this Act may be used to pay costs of training United States citizen personnel employed or assigned pursuant to section 527(c)(2) of this Act (through interchange or otherwise) at any State or local unit of government, public or private nonprofit institution, trade, labor, agricultural, or scientific association or organization, or commercial firm; and the provisions of Public Law 918, Eighty-fourth Congress, may be used to carry out the foregoing authority notwithstanding that interchange of personnel may not be involved or that the training may not take place at the institutions specified in that Act. Such training shall not be considered employment or holding of office under title 5, United States Code, section 62

and any payments or contributions in connection therewith may, as deemed appropriate by the head of the United States Government agency authorizing such training, be made by private or public sources and be accepted by any trainee, or may be accepted by and credited to the current applicable appropriation of such agency: *Provided, however,* That any such payments to an employee in the nature of compensation shall be in lieu of or in reduction of compensation received from the Government of the United States.

(f) During the annual presentation to the Congress of requests for authorizations and appropriations under this Act, there shall be submitted a detailed report on the assistance to be furnished, country-by-country, under title I of chapter II, and under section 400(a), of this Act. The report with respect to each country shall contain a clear and detailed explanation of the proposed level of aid for such country and shall include a listing of all significant factors considered, and the methods used, in determining the level of aid for such country; the reason for including each such factor and an explanation of the manner in which each of such factors is related to the specific dollar figure which constitutes the proposed level of aid for each such country. In addition, with respect to assistance proposed to be furnished under title I of chapter II of this Act, the report shall contain a clear and detailed explanation on a country-by-country basis of the determination of the particular level of forces to be supported by the proposed request for authorization and appropriation for military assistance, the factors considered and methods used in arriving at each country determination, and where the level of forces supported by military assistance differs from the total level of forces maintained in any such country, an explanation, in detail, of the reason for the difference in such level of forces.

SEC. 541. EFFECTIVE DATE.—This Act shall take effect on the date of its enactment.

SEC. 542. STATUTES REPEALED.—(a) There are hereby repealed—

(1) an Act to provide for assistance to Greece and Turkey, approved May 22, 1947, as amended;

(2) the joint resolution to provide for relief assistance to the people of countries devastated by war, approved May 31, 1947, as amended;

(3) the Foreign Aid Act of 1947;

(4) the Foreign Assistance Act of 1948, as amended; including the Economic Cooperation Act of 1948, as amended, the International Children's Emergency Fund Assistance Act of 1948, as amended, the Greek-Turkish Assistance Act of 1948, and the China Aid Act of 1948, as amended;

(5) the Mutual Defense Assistance Act of 1949, as amended;

(6) the Foreign Economic Assistance Act of 1950, as amended; including the Economic Cooperation Act of 1950, the China Area Aid Act of 1950, as amended, the United Nations Palestine Refugee Aid Act of 1950, and the Act for International Development, as amended;

(7) the Far Eastern Economic Assistance Act of 1950, as amended;

(8) the Yugoslav Emergency Relief Assistance Act of 1950;

(9) the Mutual Security Act of 1951, as amended;

(10) the Mutual Security Act of 1952;

(11) the Mutual Security Act of 1953;

(12) section 12 of the joint resolution of Congress approved November 4, 1939 (54 Stat. 10; 22 U.S.C. 452);

(13) section 4 of the Act of March 3, 1925 (50 Stat. 887; 50 U.S.C. 165); and

(14) section 968 of title 18, United States Code.

(b) References in other Acts to the Acts listed in subsection (a) shall hereafter be considered to be references to the appropriate provisions of this Act.

(c) The repeal of the Acts listed in subsection (a) shall not be deemed to affect amendments contained in such Acts to Acts not named in subsection (a).

SEC. 543. SAVING PROVISIONS.—(a) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken or entered into under authority of any provision of law repealed by section 542 shall continue in full force and effect until modified by appropriate authority.

(b) Where provisions of this Act establish conditions which must be complied with before use may be made of authority contained in or funds authorized by this Act, compliance with substantially similar conditions under Acts named in section 542 shall be deemed to constitute compliance with the conditions established by this Act.

(c) No person in the service or employment of the United States or otherwise performing functions under an Act repealed by section 542 or under section 408 shall be required to be reappointed or reemployed by reason of the entry into force of this Act, except that appointments made pursuant to section 110(a)(2) of the Economic Cooperation Act of 1948, as amended, shall be converted to appointments under section 527(c) of this Act.

(d) Funds appropriated pursuant to provisions of this Act repealed subsequent to the time such funds are appropriated shall remain available for their original purposes in accordance with the provisions of law originally applicable thereto. References in any Act to provisions of this Act repealed or stricken out by the Mutual Security Act of 1957 or subsequent Acts are hereby stricken out; and references in any Act to provisions of this Act redesignated by the Mutual Security Act of 1957 or subsequent Acts are hereby amended to refer to the new designations.

SEC. 544. AMENDMENTS TO OTHER LAWS.—(a) Section 1 of Public Law 283, Eighty-first Congress, is repealed. The Institute of Inter-American Affairs, created pursuant to Public Law 369, Eightieth Congress (22 U.S.C. 281), shall have succession until June 30, 1960, and may make contracts for periods not to exceed five years: *Provided*, That any contract extending beyond June 30, 1960, shall be made subject to termination by the said Institute upon notice: *And provided further*, That the said Institute shall, on and after July 1, 1954, be subject to the applicable provisions of the Budget and Accounting Act, 1921, as amended (31 U.S.C. 1), in lieu of the provisions of the Government Corporation Control Act, as amended (31 U.S.C. 841).

SEC. 545. DEFINITIONS.—For the purposes of this Act—

(a) The term "commodity" includes any commodity, material, article, supply or goods.

(b) The term "surplus agricultural commodity" means any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States either publicly or privately owned, which is in excess of domestic requirements, adequate carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture.

(c) The terms "equipment" and "materials" shall mean any arms, ammunition, or implements of war, or any other type of material, article, raw material, facility, tool, machine, supply or item that would further the purpose of chapter I or any component or part thereof, used or required for use in connection therewith, or required in or for the manufacture, production, processing, storage, transportation, repair or rehabilitation of any equipment or materials, but shall not include merchant vessels.

(d) The term "mobilization reserve" as used with respect to any equipment or materials, means the quantity of such equipment or materials determined by the Secretary of Defense under regulations prescribed by the President to be required to support mobilization of the Armed Forces of the United States in the event of war or national emergency until such time as adequate additional quantities of such equipment or materials can be procured.

(e) The term "excess" as used with respect to any equipment or materials, means the quantity of such equipment or materials owned by the United States which is in excess of the mobilization reserve of such equipment or materials.

(f) The term "services" shall include any service, repair, training of personnel, or technical or other assistance or information necessary to effectuate the purposes of this Act.

(g) The term "Armed Forces of the United States" shall include any component of the Army of the United States, of the United States Navy, of the United States Marine Corps, of the Air Force of the United States, of the United States Coast Guard, and the Reserve components thereof.

(h) The term "value" means—

(1) with respect to any excess equipment or materials furnished under chapter I the gross cost of repairing, rehabilitating, or modifying such equipment or materials prior to being so furnished;

(2) with respect to any nonexcess equipment or materials furnished under chapter I which are taken from the mobilization reserve (other than equipment or materials referred to in paragraph (3) of this subsection), the actual or the projected (computed as accurately as practicable) cost of procuring for the mobilization reserve an equal quantity of such equipment or materials or an equivalent quantity of equipment or materials of the same general type but deemed to be more desirable for inclusion in the mobilization reserve than the equipment or materials furnished;

(3) with respect to any nonexcess equipment or materials furnished under chapter I which are taken from the mobilization reserve but with respect to which the Secretary of Defense has certified that it is not necessary fully to replace such equipment or materials in the mobilization reserve, the gross cost to the United States of such equipment and materials or its replacement cost, whichever the Secretary of Defense may specify; and

(4) with respect to any equipment or materials furnished under chapter I which are procured for the purpose of being so furnished, the gross cost to the United States of such equipment and materials.

In determining the gross cost incurred by any agency in repairing, rehabilitating or modifying any excess equipment furnished under chapter I, all parts, accessories, or other materials used in the course of repair, rehabilitation, or modification shall be priced in accordance with the current standard pricing policies of such agency. For the purpose of this subsection, the gross cost of any equipment or materials taken from the mobilization reserve means either the actual gross cost to the United States of that particular equipment or materials or the estimated gross cost to the United States of that particular equipment or materials obtained by multiplying the number of units of such particular equipment or materials by the average gross cost of each unit of that equipment and materials owned by the furnishing agency. Notwithstanding the foregoing provisions of this subsection (h) and for the purpose of establishing a more equitable pricing system for transactions between the military departments and the Mutual Defense Assistance Program, the Secretary of Defense shall prescribe at the earliest practicable date, through appropriate pricing regulations of uniform applicability, that the term "value" (except in the case of excess equipment of materials) shall mean—

(1) the price of equipment or materials obtaining for similar transactions between the Armed Forces of the United States; or

(2) where there are no similar transactions within the meaning of paragraph (1), the gross cost to the United States adjusted as appropriate for condition and market value.

(i) The term "United States Government agency" means any department, agency, board, wholly or partly owned corporation, or instrumentality, commission, or establishment of the United States Government.

(j) The term "agency administering nonmilitary assistance" shall refer to the Development Loan Fund and any agency to which authorities and functions under title I, title III, or title IV of chapter II or under chapter III of this Act are delegated or assigned pursuant to authority contained in sections 521 and 525 of this Act.

(k) The term "officer administering nonmilitary assistance" shall refer to the Board of Directors of the Development Loan Fund and any officer to whom authorities and functions under title I, title III, or title IV of chapter II or under chapter III of this Act are delegated or assigned pursuant to authority contained in sections 521 and 525 of this Act.

SEC. 546. CONSTRUCTION.—(a) If any provisions of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of the Act and applicability of such provision to other circumstances or persons shall not be affected thereby.

(b) Nothing in this Act shall alter, amend, revoke, repeal, or otherwise affect the provisions of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2011).

(c) Nothing in this Act is intended nor shall it be construed as an expressed or implied commitment to provide any specific assistance, whether of funds, commodities, or services, to any nation or nations, or to any international organization.

SEC. 548. UNEXPENDED BALANCES.—Unexpended balances of funds made available under authority of this Act are hereby authorized to be continued available for the general purposes for which appropriated, and may be consolidated with appropriations made available beginning in fiscal year 1957 for the same general purposes under the authority of this Act.

SEC. 550. INFORMATION POLICY.—The President shall, in the reports required by section 534, or in response to requests from Members of the Congress or inquiries from the public, make public all information concerning the mutual security program not deemed by him to be incompatible with the security of the United States.

SEC. 551. LIMITATION ON THE USE OF THE PRESIDENT'S SPECIAL AUTHORITY.—The authority contained in sections 403, 451, and 501 of this Act shall not be used to augment appropriations made pursuant to sections 103(b), 408, 411(b), and 411(c) or used otherwise to finance activities which normally would be financed from appropriations for administrative expenses.

SEC. 552. ASSISTANCE TO CUBA.—No assistance shall be furnished under this Act to Cuba after the date of enactment of the Mutual Security Act of 1960 unless the President determines that such assistance is in the national and hemispheric interest of the United States.

Title II of the Agricultural Trade Development and Assistance Act of 1954 as Amended

AN ACT To increase the consumption of United States agricultural commodities in foreign countries, to improve the foreign relations of the United States and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Trade Development and Assistance Act of 1954".

* * * * * * *

TITLE II—FAMINE RELIEF AND OTHER ASSISTANCE

SEC. 201. In order to enable the President to furnish emergency assistance on behalf of the people of the United States to friendly peoples in meeting famine or other urgent or extraordinary relief requirements, the Commodity Credit Corporation shall make available to the President out of its stocks such surplus agricultural commodities (as defined in section 106 of title I) as he may request, for transfer (1) to any nation friendly to the United States in order to meet famine or other urgent or extraordinary relief requirements of such nation, and (2) to friendly but needy populations without regard to the friendliness of their government.

SEC. 202. [The] *In order to facilitate the utilization of surplus agricultural commodities in meeting the requirements of needy peoples, and in order to promote economic development in underdeveloped areas in addition to that which can be accomplished under title I of this Act, the* President may authorize the transfer on a grant basis of surplus agricultural commodities from Commodity Credit Corporation stocks

to assist programs undertaken with friendly governments or through voluntary relief agencies: *Provided,* That the President shall take reasonable precaution that such transfers will not displace or interfere with sales which might otherwise be made.

SEC. 203. Not more than $300,000,000 (including the Corporation's investment in such commodities) plus any amount by which transfers made in the preceding calendar year have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than could have been expended during such preceding year under this title as in effect during such preceding year shall be expended in any calendar year during the period January 1, 1960, and ending December 31, 1961, for all such transfers and for other costs authorized by this title. The President may make such transfers through such agencies including intergovernmental organizations, in such manner, and upon such terms and conditions as he deems appropriate; he shall make use of the facilities of voluntary relief agencies to the extent practicable. Such transfers may include delivery f.o.b. vessels in United States ports and, upon a determination by the President that it is necessary to accomplish the purposes of this title or of section 416 of the Agricultural Act of 1949, as amended, ocean freight charges from United States ports to designated ports of entry abroad may be paid from funds available to carry out this title on commodities transferred pursuant hereto or donated under said section 416, *and charges for general average contributions arising out of the ocean transport of commodities transferred pursuant hereto may be paid from such funds.* Funds required for ocean freight costs authorized under this title may be transferred by the Commodity Credit Corporation to such other Federal agency as may be designated by the President.

SEC. 204. No programs of assistance shall be undertaken under the authority of this title after December 31, 1961.

Chapter V of the Mutual Security Act of 1959

AN ACT To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Security Act of 1959."

* * * * * * *

CHAPTER V—INTERNATIONAL COOPERATION IN HEALTH; COLOMBO PLAN COUNCIL FOR TECHNICAL COOPERATION

INTERNATIONAL COOPERATION IN HEALTH

SEC. 501. (a) The Congress of the United States recognizes that large areas of the world are being ravaged by diseases and other health deficiencies which are causing widespread suffering, debility, and death, and are seriously deterring the efforts of peoples in such areas to develop their resources and productive capacities and to improve their living conditions. The Congress also recognizes that international efforts are needed to assist such peoples in bringing diseases and other

health deficiencies under control, in preventing their spread or reappearance, and in eliminating their basic causes. Accordingly, the Congress affirms that it is the policy of the United States to accelerate its efforts to encourage and support international cooperation in programs directed toward the conquest of diseases and other health deficiencies.

[(b) In order to carry out the purposes of subsection (a) of this section and in order to plan logically for an orderly expansion of United States support to international health activities, the President is authorized to undertake, in cooperation directly with other governments, or indirectly through utilizing the resources and services of the United Nations and the Organization of American States or any of their specialized agencies, programs and projects of research, studies, field surveys, trials, and demonstrations to determine the feasibility of future intensive programs for reduction, control, or eradication of disease problems of international importance. Of the funds appropriated pursuant to section 451(b) of the Mutual Security Act of 1954, as amended, the sum of $2,000,000 shall be available to carry out the purposes of this section.]

COLOMBO PLAN COUNCIL FOR TECHNICAL COOPERATION

SEC. 502. To enable the United States to maintain membership in the Colombo Plan Council for Technical Cooperation, there is hereby authorized to be appropriated from time to time to the Department of State such sums as may be necessary for the payment by the United States of its share of the expenses of the Colombo Plan Council for Technical Cooperation.

SUPPLEMENTAL VIEWS OF CONGRESSMAN ALVIN M. BENTLEY ON FOREIGN AID BILL

I opposed reporting the Mutual Security Act of 1960, H.R. 11510, out of the Foreign Affairs Committee at this time since I feel strongly that the entire program is overdue for a complete review and reappraisal. Such action has not been taken by the Foreign Affairs Committee during its current hearings on this legislation.

In order to accomplish this, I introduced H.R. 10084 on February 2, 1960, which contained the basic mutual security legislation, the 1954 act with subsequent amendments up to and including the authorizing legislation passed last year.

When the markup of the present legislation commenced, I offered my bill as a substitute. This substitute was rejected by a committee vote and, therefore, I opposed reporting out the present bill at this time.

If a recommittal motion is offered to send the present bill, H.R. 11510, back to committee for further study and review, I will vote for it. If this motion is defeated, however, I expect to vote for passage of the present bill. This represents a reversal of the position I have taken in previous years, but I do admit that the mutual security program has greatly improved in recent years, especially in the trend from grants to loans for purposes of economic aid. I also feel that there has been substantial improvement in the administration of the program, a step for which the Foreign Affairs Committee deserves much credit.

This does not mean that I am completely satisfied with the present program, apart from the urgent necessity for its thorough review. I am deeply concerned over certain aspects of the military assistance, especially its programs in countries whose armed forces would reasonably be expected to contribute little or nothing to the defense of the free world in the event of an all-out war. Undoubtedly, there exists a certain amount of justification for such nations to have limited forces for reasons of internal security, but in many instances the country programs go far beyond such criteria. I feel strongly that much more emphasis should be placed on economic aid in those particular areas for the purpose of assisting the people of those countries to improve their economies and raise their standard of living. I think that such steps would make them more immune to Communist penetration than the topheavy military programs now being undertaken.

The vast amounts of local or "soft" currencies which the mutual security and other programs are creating throughout the world is likewise a cause for real concern. There are certain countries where our holdings of such currencies are far in excess of the absorptive capacities of the countries themselves and can only result in creating inflationary pressures. Indeed, there are certain holdings of local currencies of such size that they could not possibly be spent in the foreseeable future. This has been due in part to the fact that there are a variety of programs which create these currencies, many of which are not

under the control of the Foreign Affairs Committee. I feel there should be much more centralization of direction in this respect, both on the executive and on the legislative level.

The so-called foreign-aid program seems now to have become a permanent part of our foreign policy, regardless of the political administration in power. While registering my concern over certain aspects of the program, as stated above, and while insisting upon the necessity for more constant review and reappraisal than the program has received from the Foreign Affairs Committee, I nevertheless accept the fact that the program is here to stay, possibly for an indefinite period of time. My opposition to the program in the past has often been assumed to be opposition to the entire concept of foreign aid, which was never the case. I, therefore, announce my support of the present program even if my efforts to require its further study and review are unsuccessful. In any event, the committee has shown its agreement with my position by promising to undertake such a study early in the coming year. I happen personally to believe, however, that such a study should not be delayed that long merely because of the time element in the present congressional session.

One final word. By agreeing to open-end authorizations for military assistance and the Development Loan Fund as was done in the Mutual Security Act of 1959, I feel that the Congress has abdicated a great deal of its responsibility in this field. I, therefore, expect to offer an amendment which would terminate this authorization for military assistance since I feel strongly that no blank checks should be given to the Executive in this or indeed in any other program of comparable size. The Foreign Affairs Committee is expected to set policy for the Congress in this field and it cannot possibly do so without undertaking annually the closest scrutiny of the operational details as well as the overall trend of mutual security legislation. I sincerely trust that the committee will undertake to expand its own staff to a number sufficient to do the job that the Congress and, indeed, the entire country expects of it.

MINORITY VIEWS OF MR. PILCHER, MRS. CHURCH, AND MR. ADAIR ON H.R. 11510

For some years, as earnest participants on the committee considering the Mutual Security Act, we have felt compelled to be realistic and honest critics, not of what is sought to be done but of the inadequate planning and poor administration of the program. Despite efforts this year to make some improvements in this basic legislation, we can see no indication that the actual planning and administration of the program will be radically changed. As in previous years, we who find this present bill unsatisfactory again assert that we believe in mutual security. We do not believe, however, that the present measure, H.R. 11510, adequately meets the challenge to provide such mutual security. It does not present the new imaginative program which is so necessary to further the efforts of the United States to build peace and progress in this troubled world.

Despite conclusive evidence that, due to obvious uncorrected weaknesses, the program has failed to achieve the anticipated results toward the establishment of security in the free world, H.R. 11510, as reported out by the Committee on Foreign Affairs, authorizes an appropriation of $1,318,400,000, a reduction of $136,500 from the Executive request. In addition, there are continuing authorizations, agreed to by the committee last year, for military assistance, the Development Loan Fund, and other smaller items, in the amount of $2,720,100,000. In other words, the total amount proposed to be appropriated for fiscal year 1961 is $4,038,500,000. Furthermore, under Public Law 480, additional funds will be made available to the mutual security program.

Last fall a study mission comprised of members of the Committee on Foreign Affairs completed a 40,000-mile tour to study the impact of U.S. foreign aid programs in the areas around the world. The chairman of this minority report was also chairman of the study mission. Another signer of the minority report accompanied him. In its report the study mission pointed up the reality and justice of our former criticisms. The final conclusions of the report had this to say about foreign aid:

> The study mission is convinced that a realistic review and reappraisal of our aid program is immediately necessary, and that greater supervision must be given to its operations. However noble the purpose or well advised the goal, the quality and success of performance remain an essential criterion of success. We have pointed out in this report specific cases of poor programing and excessive spending. There is indication in more than one instance that, as suggested by

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the Comptroller General in 1959, the field operations have actually been hampered by an excess rather than a paucity of funds. A far more vigorous effort, moreover, must be made to correct conditions and weaknesses that are known to exist and that have been pointed out again and again. There is some indication that blame for such weaknesses should be placed as much, if not more, on the planners in Washington than on those in the field. In any event, there is ample justification for our insistence that there be a complete revision of programs and operations.

In fact, there is justification for insistence on a broader vision and a more imaginative approach. Such approach should aim to produce in the peoples of the world greater and more successful self-reliance and stable political institutions under which the people in each country could live in freedom and dignity with full enjoyment of economic progress under democratic institutions.

What is desperately needed in this world to build sound bodies and sound minds is an adequate food supply and elementary education. In generations to come, grandiose dams and multi-million-dollar fertilizer plants might bring ultimate benefit, but we express again our fear of the inconsistent and strikingly dangerous gap between such grandiose projects at the top and the millions of human beings still starving, still untaught, who have neither the stamina to undertake nor the capacity to understand self-government. Without such understanding and capacity there is little chance for orderly progress. Such a course only adds to economic dislocation and confusion. Premature advance toward industrialization not only seriously strains the present capacity of countries but is bound to produce an insecure economic base. We would urge, therefore, that primary attention be given to food production and the teaching of at least elementary knowledge.

Since the end of World War II, the United States has spent well over 80 billions of dollars in aid to the nations of the world. The program has assisted in the effort of keeping them free and improving their economic position. In recent years changing conditions in the United States and in the world require reappraisal and revision of the program. The struggle to maintain freedom and encourage economic development involves the future of all free nations and, therefore, must be regarded by them as a joint responsibility.

The financial condition of the United States makes an expenditure each year of $3 to $4 billion an extremely difficult burden to carry. Such an effort can be justified only if the programs and obligations succeed in achieving their objectives. The American citizen today is paying more peacetime taxes than ever before. Interest on the public debt is taking approximately one-twelfth of all taxes collected. The American dollar, once the strongest and

most sought after currency in the world, is selling at a discount in some countries (e.g., Canada, Switzerland, Belgium). Our gross national debt is approximately $292 billion.

Those nations which the United States helped to rehabilitate after World War II, and which are now financially strong, should make every effort to assist, both militarily and economically, in strengthening the less developed countries. The United States should no longer carry so large a share of the military and economic assistance to the other free nations of the world.

Furthermore, since 1947, the United States has so given to other countries its technical "know-how" and the dollars to develop it, that its own formerly unchallenged economic supremacy of the free world is under successful attack. The United States faces stronger economic competition than ever before—a competition that can have an immeasurable effect not only on our trade but on our industrial prosperity and the high living standards of our workers. Every possible wise step must be taken to protect our own position in world trade as well as the stability of the American dollar.

These facts, in addition to the findings of the study mission, underlie our insistence for an immediate detailed examination and careful review and revision of programs and operations.

In particular, the study mission comes back impressed by obvious evidence that ultimate failure is inherent in the program unless we can somehow develop plans and operations that will reach down to the people themselves of each country.

Paul G. Hoffman, in his pamphlet, "One Hundred Countries, One and One-Quarter Billion People," succinctly states the problems confronting underdeveloped countries:

> The underdeveloped countries need high-level manpower just as urgently as they need capital. Indeed, unless these countries are able to develop the required strategic human resources they cannot effectively absorb capital. But human resources of the less-developed nations have been shamefully neglected. Only a very small percentage of the people who live in these countries have ever had an opportunity to acquire an education and only a few have ever had positions of responsibility. There is a huge need for training of all types from on-the-job training of artisans to training in more complex technological and management sciences.
>
> Of all the resources required for economic development, high-talent manpower requires the longest "lead-time" for its creation. Dams, power stations, textile factories, and steel mills can be constructed in a few years, but it takes 10 to 15 years to develop managers, engineers, and the administration to operate them. The existence of such manpower,

however, is essential if the countries are to achieve self-sustaining growth.

Thus, while it is imperative that these countries survey their natural resources and draw up programs spelling out priorities for the strategic investment of capital in their development, so must they draw up some kind of a "high-level manpower budget" for the next 10 or even 20 years. This should be an integral part of their development plan.

Eugene R. Black, President of the International Bank for Reconstruction and Development, in a speech made at Oxford University, England, on March 3, 1960, stated:

> We think that in administering economic aid quality is more important than quantity; even the most enthusiastic supporters of economic aid recognize that the outside world cannot provide more than a small margin of the resources needed; the really crucial economic and human resources must come from within. Therefore, it is only realistic, we think, to try to use economic aid primarily to promote proper standards in the art of managing a country's resources. * * *

This present legislation in no sense gives the true picture of what is available for mutual security. Attention is directed to the following figures showing mutual security funds by program and amount available for expenditure for fiscal year 1960, which were inserted in the Congressional Record of March 31, 1960, by Hon. Otto E. Passman, chairman of the Subcommittee on Foreign Operations of the House Appropriations Committee:

Mutual security funds by program and amount (available for expenditure (fiscal 1960))

	Total available for expenditure
1. Military assistance:	
Unexpended, June 30, 1959	$2, 547, 998, 755
New funds, fiscal 1960	1, 331, 247, 000
Sale military material, fiscal 1960	30, 200, 000
Total	3, 909, 445, 755
2. Defense support:	
Unexpended, June 30, 1959	787, 500, 953
New funds, fiscal 1960	695, 000, 000
Sale military material, fiscal 1960	500, 000
Total	1, 483, 000, 953
3. Development Loan Fund:	
Unexpended, June 30, 1959	782, 010, 480
New funds, fiscal 1960	550, 000, 000
Loan repayments, fiscal year 1960	15, 700, 000
Total	1, 347, 710, 480
4. Development assistance, unexpended, June 30, 1959	97, 768, 490
5. Special assistance:	
Unexpended, June 30, 1959	173, 389, 255
New funds, fiscal 1960	245, 000, 000
Estimated reimbursement, fiscal 1960	100, 000
Total	418, 489, 255

Mutual security funds by program and amount (available for expenditure) fiscal 1960)) —Continued

	Total available for expenditure
6. President's Asian fund, unexpended, June 30, 1959	$85, 846, 438
7. President's contingency fund:	
Unexpended, June 30, 1959	139, 789, 149
New funds, fiscal 1960	123, 753, 000
Total	263, 542, 149
8. Technical cooperation, bilateral:	
Unexpended, June 30, 1959	158, 717, 287
New funds, fiscal 1960	150, 000, 000
Estimated reimbursement, fiscal 1960	700, 000
Total	309, 417, 287
9. Technical cooperation, U.N.:	
Unexpended, June 30, 1959	8, 292, 101
New funds, fiscal 1960	30, 000, 000
Estimated reimbursement, fiscal 1960	----------
Total	38, 292, 101
10. Technical cooperation, Organization of American States:	
Unexpended, June 30, 1959	1, 307, 960
New funds, fiscal 1960	1, 200, 000
Total	2, 507, 960
11. Joint control, unexpended, June 30, 1959	472, 167
12. Atoms for peace:	
Unexpended, June 30, 1959	9, 280, 648
New funds, fiscal 1960	1, 500, 000
Total	10, 780, 648
13. North Atlantic Treaty Organization, unexpended, June 30, 1959	1, 088, 558
14. Intergovernment Committee for European Migration:	
Unexpended, June 30, 1959	10, 829, 222
New funds, fiscal 1960	7, 371, 000
Total	18, 200, 222
15. U.N. Refugee Fund:	
Unexpended, June 30, 1959	1, 200, 000
New funds, fiscal 1960	1, 100, 000
Total	2, 300, 000
16. Escapee program:	
Unexpended, June 30, 1959	6, 887, 757
New funds, fiscal 1960	4, 632, 000
Total	11, 516, 757
17. U.N. Children's Fund:	
Unexpended, June 30, 1959	8, 925, 635
New funds, fiscal 1960	12, 000, 000
Total	20, 925, 635

Mutual security funds by program and amount (available for expenditure (fiscal 1960)) —Continued

	Total available for expenditure
18. U.N. Relief and Works Agency:	
Unexpended, June 30, 1959	$8, 956, 957
New funds, fiscal 1960	25, 000, 000
Total	33, 956, 957
19. Ocean freight:	
Unexpended, June 30, 1959	1, 662, 992
New funds, fiscal 1960	1, 910, 000
Total	3, 572, 992
20. Control Act, unexpended, June 30, 1959	119, 101
21. Administrative expenses, ICA:	
Unexpended, June 30, 1959	4, 956, 497
New funds, fiscal 1960	38, 000, 000
Estimated reimbursement, fiscal 1960	800, 000
Total	43, 756, 497
22. Administrative expenses, State:	
Unexpended, June 30, 1959	708, 341
New funds, fiscal 1960	8, 100, 000
Total	8, 808, 341
Grand total	8, 111, 521, 750

RECAPITULATION

Unexpended funds, June 30, 1959	4, 837, 708, 750
New funds, appropriated, fiscal 1960	3, 225, 813, 000
New funds, other, fiscal 1960	48, 000, 000
Total	8, 111, 521, 750

INADEQUATE PLANNING AND POOR ADMINISTRATION

Since the end of World War II the United States has spent more than $80 billion to assist nations in remaining free and in improving their economic conditions. Newly independent nations seek to build prestige by building huge dams, steel mills, and super highways before there is need for such grandiose projects. As a result the International Cooperation Administration has acceded to too many requests for such programs and there have been too many projects begun without proper planning, determination of need, or benefits to be derived. Too often the people at the grassroots do not derive any immediate benefits from these grandiose projects—but continue to live in poverty and hunger under circumstances which certainly are not conducive to economic well being or the development of democratic processes. Too much emphasis has been placed on meeting the personal desires of the political leaders of the recipient governments and too little emphasis on the needs of the little people who, after all, determine the potential and the future of each country.

There is a true need for technical assistance in all of the underdeveloped nations, but such assistance should be given on the basis of a smaller number of better selected projects. A study mission, of which two of the signers of this minority report were members, found more than 600 projects in being in one country and more ready to be started before completion of the existing projects. The criticism that a multiplicity of projects has been undertaken is justified by the appended compilation showing aid to and projects in countries which the study mission visited (pp. 119 to 172).

In too many instances inadequate planning has resulted in the undertaking of impractical and unsuitable projects in underdeveloped nations which have led to excessive spending and waste of U.S. funds. We cite the following examples in support of these charges: A highway program in Vietnam on which the costs have skyrocketed from $18 million to $85 million, and may exceed $100 million before its completion; a fertilizer plant in Taiwan, started with foreign aid money and estimated to cost approximately $34 million, which is nonoperable because some of the equipment does not meet the specifications for the desired operations, and on which the Taiwanese Government has instituted proceedings against the manufacturer for contractual noncompliance; radio towers installed in Saigon which have never been put in operation because their utility is undetermined and their location in doubt.

As a further illustration, it seems worth while at this point to go into the problem of the Saigon water program in detail, and quote from the previously mentioned subcommittee report.

> * * * Everyone agrees Saigon badly needs a new water system, but plans have bogged down in a heated dispute between two schools of thought. On one side is the International Water Corp. of Pittsburgh which believes in deep wells. It has done business in Saigon for 30 years and has drilled most of the city's wells. On the other side is the Hydro-Technique Corp. of New York which believes in dams and pipelines.
>
> Our foreign aid authorities gave the Hydro-Technique Corp. a $200,000 contract for a survey 2 years ago. Hydro-Technique came up with a report favoring a dam and filtration plant on Dang Nai River near Bien Hoa, 18 miles north of Saigon. From this plant a 72-inch pipeline would lead to Saigon. The International Water Corp. made several surveys, all of which showed again that deep wells are quite adequate. What is more, the International Water Corp. said they would be much cheaper and provide water much sooner. The Hydro-Technique pipeline project is estimated to cost $19.5 million to be put in by the United States. The International claims it can give Saigon all the water it needs indefinitely for $12 to $14 million. The Vietnamese seem to favor the dam and pipeline system, but the military of both Vietnam and the United States have raised the question of

security. It was at Bien Hoa that two American military advisers recently were killed when Red terrorists tossed a grenade into a movie audience.

It is pointed out that the 18-mile above-ground pipeline could be sabotaged and the already hard-pressed Vietnamese Armed Forces probably would have to furnish daily patrols, as well as guards for the river plant.

In November 1959 the Development Loan Fund approved a $19.5 million loan for the water system and called for another survey. Who gets the contract for this survey and what it will cost, we do not know.

The most urgent need in many of the underdeveloped countries is the employment of manpower, which is one of their greatest economic resources. There is intense need for development of the agricultural regions and the implementation of small industries so that this excessive supply of manpower may be put to productive use, instead of the multimillion-dollar projects carried out by contract with large business firms only interested in making a profit, with little or no regard for the utilization of local manpower.

LOSS OF CONGRESSIONAL CONTROL

We regret that each year there is further shrinkage in the degree of control exercised over the program by the Congress. Progressive loss of control of funds inevitably leads to loss of administrative control. In the face of our repeated criticisms over the years of the administrative deficiencies in the foreign aid program, the executive branch this year requested an appropriation of $4,175 million for mutual security. During fiscal year 1959 total U.S. mutual security expenditures were $3,898 million. Despite the fact that we are being asked to continue to pour vast sums of money into the program, this request for funds in fiscal year 1961 makes no suggestion for strengthening congressional control over the programing and expenditure of funds. Nor is any recognition seemingly given to the fact that many of the projects do not have economic justification, let alone a defense requirement.

It is true that the bill for this year contains no authorization for military assistance. The mutual security law was changed last year so as to provide that for fiscal years 1961 and 1962 **such sums as might be necessary could be appropriated for military assistance.** This is an open-end authorization. There is no possible way to indicate just how much will actually be spent for the military under the unlimited amount authorized. We definitely feel that such authorization further weakens the control of the Congress over the funds and over the program.

In our judgment, the Congress made a serious mistake when it changed the pattern of congressional action as regards the military aid programs which previously had prevailed for nearly 10 years. It is urgent that we return to the original procedure whereby military assistance funds were annually authorized and annually appropriated.

BUREAUCRACY IN MUTUAL SECURITY PROGRAMS

The foreign aid program is administered by an increasingly large number of personnel without any noticeable increase in efficiency. This has led to the creation of an entrenched, self-perpetuating bureaucracy, still growing in size, power, and inefficiency. In this regard, the figures speak for themselves. In December 1948, a total of 2,858 persons were employed in the economic aid program. Today there are more than 42,000 personnel employed in the administration of the mutual security program.

INADEQUACY OF INSPECTION

The Office of Inspector General and Comptroller was created in last year's mutual security legislation to undertake the required actions to correct a program warped with waste and inefficiency. It was hoped that the creation of such an office would bring to the program a fresh review through impartial inspection by competent personnel whose judgment would not be prejudiced through long-time association with the practices and operations under consideration. It was brought out in the hearings on the program this year that personnel who have worked with the International Cooperation Administration in various capacities throughout the years are now being employed in this new Office of Inspector General-Comptroller. We find no personal fault with those administering the Office of Inspector General-Comptroller but we do feel that the decision to place the inspection of the program in the hands of those who have been intimately associated with its development was a wrong decision.

DANGERS IN THE DEVELOPMENT LOAN FUND

The Development Loan Fund continues to be an adjunct of the foreign-aid program for the making of loans rather than grants. When the Development Loan Fund was created, many of us were given the impression that the making of loans to underdeveloped countries for economic development would result in a reduction of economic grant assistance. There has been no appreciable reduction in the use of economic grant assistance funds.

Testimony received during the hearings indicates that money in the fund has been earmarked for certain countries without having received from those countries specifications and plans for particular economic projects. As a result of this unorthodox and inefficient procedure, many countries with worthy projects have been denied the assistance that they require because of the lack of funds. Until sound methods are utilized, the Development Loan Fund cannot possibly achieve maximum success.

NEED FOR REVIEW AND REVISION OF MUTUAL SECURITY PROGRAM

In prior years we have expressed our strong conviction that a realistic and objective review of the mutual security program and the legislation by which it is implemented should be immediately undertaken. Although annual revision of the act has been made, the basic legislation has not been thoroughly considered or rewritten since 1954. We are hopeful that the entire mutual security legislation will be reviewed by the committee in the next session of Congress.

Again this year we urge a thorough study, a reappraisal, and a redefining of foreign policies and methods. What is needed is a deeper understanding of the fundamental problems, better programing, and more efficient administration. To continue to vote large appropriations for the mutual security program is not enough. To refuse to face the facts and in the very name of mutual security and freedom fail to demand adequate remedy for current deficiencies would be a negation of our congressional responsibility.

AID TO AND COMPILATION OF PROJECTS UNDERTAKEN SINCE 1951 IN COUNTRIES VISITED BY STUDY MISSION

JAPAN

Total economic and military aid through fiscal year 1959

[In thousands of dollars]

Economic (since beginning of ICA and predecessor programs) $16, 253
Military (programed since 1950) 711, 557

Project No.	Project title and description	Location	Function	Cost, cumulative through fiscal year 1959	Accomplishments
29-006	Japan Productivity Center..... The purpose of this project is to assist the Japanese increase their industrial productivity and thereby facilitate the expansion of essential exports upon which Japan depends in order to meet the requirements of a growing population. An important secondary objective is to strengthen Japan's free enterprise system. These purposes are being achieved by introducing modern concepts in management, production, distribution techniques, and labor-management relations. The Japan Productivity Center is the most important ICA project in Japan, and accounts for a large portion of ICA assistance to Japan. The JPC was established in 1955, and has been designated by the Japanese Government as the coordinating agency for promoting productivity throughout Japan.	Tokyo.....	Technical cooperation.	*Thousands* $3,337	Over 1,000 participants, representing a cross section of Japanese industry, have heen hrought to the United States, and with the cooperation of American industry they have observed and learned modern U.S. methods and techniques. U.S. consultants in the fields of management, production, and labor relations have visited Japan and conducted seminars which have attracted well over 70,000 persons. In 3½ years, the Japan Productivity Center has trained a staff of 120 persons and established 7 regional centers in key Japanese cities. While it is difficult to assess quantitatively the results, it is generally conceded that the productivity program has played an important role in Japan's economic progress since 1955. The success of the productivity program in Japan has stimulated great interest on the part of other Asian nations and inspired the holding of the Asian Round Table Productivity Conference in March 1959, which was attended hy representatives of 14 Asian nations.

JAPAN—Continued

Project No.	Project title and description	Location	Function	Cost, cumulative through fiscal year 1959
				Thousands
11-025	Hokkaido University affiliation This project finances an affiliation between the University of Hokkaido and the University of Massachusetts designed to promote agricultural research, effective utilization of uplands fror crops, and livestock production in northern Japan. This is done hy sending consultants from the University of Massachusetts to Hokkaido and by sending Hokkaido faculty memhers to Massachusetts for training in specialized agricultural fields.	Hokkaido	Technical cooperation	$569
13-018	Grassland development demonstration This project encourages the development of grasslands for livestock feed by furnishing demonstration grass and legume seed. This is a hasic step toward increasing livestock production and therehy raising the present low protein consumption level of the Japanese people. The Ministry of Agriculture implements the program through prefectural livestock production associations.	Tokyo, etc	do	240
19-017	Agriculture productivity teams This project provides tcchnicai assistance to Japanese agencies in order to further the development of agricultural resources and related industries and services, particularly upland agriculture and livestock production. This is done hy sending participants to the United States for ohservational study and inservice training and hy hringing U.S. consultants to Japan.	do	do	644
27-009	Waseda University affiliation This project finances an affiliation between Waseda University and the University of Michigan designed to improve the level of industrial engineering and management and market research techniques. This is done hy sending Waseda faculty memhers to the United States for training and by sending Michigan faculty memhers to Japan to assist Waseda Univcrsity in these fields.	Tokyo	do	776
27-023	Keio-Harvard husiness administration This project provides for the training of Keio University senior faculty members at Harvard University and the sending of Harvard consultants to Keio University to help estahlish an effective graduate school of husiness at Kelo University, in order to meet the needs of Japanese industry.	do	do	89
37-016	Japan Civil Aviation Bureau This project is assisting the Japan Civil Aviation Bureau estahlish standardized aeronautical facilities and services required for domestic and international air transportation. This is heing done by providing technical advisory services of U.S. specialists and hy training Japanese techniclans in the United States.	do	do	719
43-020	Japan Trade Unions This project provides for the sending of lahor particlpants to the United States for study and ohservation of the hasic functions, activities, and philosophy of the U.S. trade unlon movement, and also the hringing of U.S. trade unlon consultants to Japan to provide tcchnical guidance to Japanese trade unions.	do	do	915
98-010	Peaceful uses of atomic energy This project provides for the sending of Japanese particlpants to the United Statcs for ohservational study and training in the peaceful uses of atomic energy.	do	do	136

KOREA

Total economic and military aid through fiscal year 1959

[In thousands of dollars]

Economic (since beginning of ICA and predecessor programs) $1, 410, 709
Military (programed since 1950) 1, 291, 947

Project No.	Project title and description	Location	Function	Cost, cumulative through fiscal year 1959	Accomplishments
				Thousands	
22-257	Thermal plant construction. Construction of 3 steam electric powerplants and comprehensive training program for operator personnel.	Tangin-Ri Samchok Masan.	Defense support	$28,000	Increased power generation by 100,000 kilowatts, which douhled Korea's power generation capacity. Has provided needed power for industrial expansion.
23-323	Rehabilitation of Hwachon hydroelectric plant and dam. Repair of war damage and expansion of generating capacity.	Hwachon	do	9,000	Strengthening of the dam which controls the North Han River. Expansion of generating capacity from 10,000 to 81,000 kilowatts to provide power for industrial expansion.
23-459 (Subproject 28).	Pesticide plant. Rehabilitation and reconstruction of buildings and facilities for manufacturing pesticides, caustic soda, hydrochloric acid, and hleaching powder.	Inchon	do	275	Plant now producing ahout 100 metric tons of chemicals and pesticides per month. Plant now employs 66 people and planning is going forward to expand present facilities to meet increased demands.
66-259	Seoul National University operating facilities. Rehabilitation and improvement of the war-damaged physical plant and provision of essential lahoratory supplies and equipment.	Seoul	do	3,685	Although physical construction not fully completed, progress to date has enahled the several colleges to expand their capacity to meet student needs.

KOREA—Continued

Project No.	Project title and description	Location	Function	Cost, cumulative through fiscal year 1959
				Thousands
11-209	Agricultural research This project provides for administrative personnel of the Suwon Agricultural Institute, 9 provincial institutes, and 6 main experiment stations to be technically trained in procedures and methods essential for the success of agricultural research in Korea.	Suwon	Defense support	$401
11-286	Agricultural extension and development Provides technicians, contract services, training, equipment and supplies for the establishment and operation of an extension service to disseminate information to farm people on better methods and improved practices of farm production.	Overall	Technical cooperation Defense support	707 1,026
12-210	Flood control This project provides assistance for the construction of levees and sluice gates in order that agricultural lands might be protected from flooding which occurs in varying intensity almost every summer.	do	do	1,528
12-509	Land and water use improvement Provides technical services, training, materials and supplies required to help increase and stabilize the production of foodstuffs and other economic products of the soil such as timber and watershed cover.	do	Technical cooperation Defense support	126 8,313
13-212	Specialty farm enterprises This project provides training and equipment which will serve to increase food and fiber output in Korea through upgrading of production and improved processing methods.	do	Technical cooperation	137
13-214	Livestock and veterinary improvement This project provides for the necessary veterinary services training and equipment to improve the quality of livestock and livestock products as well as to increase the production factor per animal unit.	do	do Defense support	107 350
13-215	Crop and soil improvement This project provides funds to procure seeds in order to develop better crop varieties and establish a better seed program, and also provides a training program for improvement of production of vegetable crops.	do	Technical cooperation Defense support	141 481
13-426	Soil management This project provides U.S. technicians to assist the Koreans in fertilizer-soil management problems by means of demonstrations in the application of various fertilizers.	do	Technical cooperation	81
13-431	Agriculture pest control This project provides for training in agriculture pest control—the various phases of insect and disease fungi, including life cycles and their economic importance and control.	do	do	191
13-432	Sericulture development Provides for expansion and development in Korea of silk through increasing mulberry plantation areas, training programs, and the training of selected Korean sericulture technicians in Italy on production, processing, and marketing methods in order that the silk production may be at least doubled in the next few years.	Suwon	do Defense support	9 370
13-500	Agriculture rodent and pest control Provides funds to survey and recommend a program for rodent and pest control; also to conduct a training program which will involve supplies and equipment to be provided through agriculture extension-type approach.	Overall	do	205

14-439	Agricultural cooperatives development This project is to encourage and assist the promotion and development of independent controlled agriculture cooperatives which will promote the development of democratic institutions suited to farmer needs for purposes of production, marketing, and agricultural credit.	do	Technical cooperation Defense support	115 43
15-428	Agricultural statistics improvement This project assists the Ministry of Agriculture and Forestry in establishing an efficient agricultural statistics collection and reporting service to better operate a food supply management program.	Seoul	Technical cooperation	90
15-434	Farm products storage improvements This project provides assistanoe through improving preservation and storage of farm products in South Korea; provides for training and commodities to carry out a research program to develop preservation methods and to effect proper distribution and marketing of such products.	Overall	do	38
18-281	Fisheries development This provides for rehabilitation and development of Korean fishing industry to enable it to supply a substantial portion of protein food required for expanding population and to assist in increasing foreign exchange earnings through exports of marine products.	do	do Defense support	37 3,580
19-424	Agricultural engineering development Provides training for technicians in improved engineering techniques in crop and livestock fields in order to increase the production of food crops.	do	Technical cooperation	75
21-489	Coal mine development This project providing through engineering services, supplies and equipment seeks to reestabiish mining as a major Korean industry through a program of resource exploration and exploitation and development of exports.	do	Defense support	5,554
21-490	Development of metals and minerals, other than coal Provides engineering services and equipment required for the exploration, rehabilitation and/or development of mines, mine sites, other than coal, which will permit Korea to participate in the international ore and metal market.	do	do	2,604
21-491	Mining and geological training Provides technical training and assistance in the improvement of exploration, development and production of Korean mineral resources and the analysis and treatment of ores and quarry products.	do	Technical cooperation	92
22-200	Rehabilitation of telephone central office This project provides materials and equipment for installing telephone carrier terminals and a teletype network linking all primary toll centers.	Seoul	Defense support	608
22-201	Rehabilitation of telegraph and telephone toll centers This project provides equipment for the interconnection of a primary toll switching center in 10 selected areas, as well as toll centers within each toll area.	Chinhae-Chinju	do	252
22-202	Telecommunications cable and open-wire lines This project provides material for the rehabilitation of open-wire toll connecting links as well as toll connecting cables for both telephone and telegraph systems to connect to the Mokpo radio transmitter station.	Taegu-offshore	do	1,655
22-206	Communications technical improvement This project provides U.S. management and technical services to assist the Ministry of Communications in the management and operation of the telephone communications system.	Overall	do	762
22-220	Rehabilitation of Yongwol and Tangin-Ri thermal plants This project rehabilitates Yongwol and Tangin-Ri thermal powerplants together with their substations and switchyards to provide urgently needed additional generation.	Yongwol Tangin-Ri	do	5,560
22-221	Rehabilitation and construction overall transmission and distribution system This project provides equipment to rehabilitate and construct substations in the Korea power system to meet new patterns of power supply, distribution, increased services and shifts in load centers.	Overall east coast sector.	do	6,510
22-224	Rehabilitation of Unam powerplant Provides for the rehabilitation of existing generating capacity, and engineering studies to ascertain total costs of reconstructing both plant and dam structure.	Unam	do	115

KOREA—Continued

Project No.	Project title and description	Location	Function	Cost, cumulative through fiscal year 1959
				Thousands
22-225	Power substation of Hambaik This project provides for the procurement of transformers, associated switch gear and necessary protective metering equipment for a substation at the Hamhaik coal field in order that additional coal reserves may be investigated and present proved reserves may he developed.	Hambaik	Defense support	$74
22-228	Rehabilitation of Chong Pyong Dam This project provides the necessary engineering services and funds for the first phase of equipment required to rehabilitate both the plant and dam structure.	Hwachon	do	6,000
22-256	Rehabilitation of outside telephone cable plant This project provides equipment for a properly designed technical outside plant cable distribution installation in order to make 23,000 lines of automatic telephone equipment operahle.	Seoul	do	1,000
22-336	Electric power distribution system This project provides for equipment and supplies to correct power factors, improve voltage regulation of distribution systems, provide protective equipment in relocating primary distribution lines. Also to purchase meters so that flat-rate customers can be placed on 24-hour service in order that unauthorized use of power may be curtailed.	Overall	do	1,478
22-338	Voice telephone carrier system This project provides additional voice telephone carrier system equipment for 11 primary and secondary toll centers.	Taegu	do	243
22-415	Power system maintenance Provides spare parts to keep generation, transmission and distribution systems in operation.	Overall	do	237
22-442	Extension of telecommunications system part I and II Provides for equipment required to provide additional and improved telephone service in areas having priority requirements largely of an industrial or governmental nature.	Seoul-Inchon	do	1,761
22-501	Thermal plant, southwest Korea Project provides for the phased financing of engineering and design work, procurement of equipment and construction, training and supervision of operations for a 30,000 kilowatt thermal electric plant to be located at Kunsan.	Kunsan	do	9,292
23-280	Industrial training This project provides essential technical training abroad for participants in a variety of industrial fields thereby filling a need for trained technicians particularly in new processes, newly developed industries and industrial management.	Overall	Technical cooperation	413
23-292	Rice straw pulp plant This project provides funds for engineering services and equipment required to complete the erection and equipment of a straw pulp plant which will produce 7,200 M/T annually of straw pulp from indigenous grain straws for the manufacture of printing and writing paper.	Yongdungpo	Defense support	5,554
23-293	Korea handicrafts This project provides for the services of a professional U.S. industrial design firm and for the training of Korean personnel in the development of markets for Korean handicraft and products on large volumes. It also provides assistance in industrial planning techniques.	Overall	Technical cooperation	298

23-305 (23-306)	Caustic soda plant These projects provide funds for engineering services and equipment to erect and equip two electrolytic caustic soda plants to produce, from indigenous materials, salt, caustic soda, chlorine, hydrogen, hydrochloric acid, bleaching powder, and related chemicals in amounts sufficient to take care of the current requirements of the country.	Inchon Namdong	Defense support	1,289
23-307	Hardboard plant This project provides engineering services and equipment for the construction of a hardboard plant which will produce 20 metric tons of 4 by 8 hardboard sheets every 22 hours.	Seoul	do	500
23-308	Paper mill This project provides funds for the rehabilitation and expansion of a paper mill to produce 4,500 metric tons of printing paper per year. It is estimated that ⅓ of the raw materials required can be supplied from Korea.	Suwon	do	500
23-313	Bran oil plant This project provides funds for engineering services and equipment for an oil extraction and refinery plant utilizing domestic rice bran as a main raw material in addition to such high oil content seeds as cotton seed and soy bean. It is expected that this plant will produce 3,600 metric tons of oil annually.	Seoul	do	450
23-319	Textile parts plants This project provides for the rehabilitation expansion and modernization of an existing needle manufacturing plant which will produce 9 different types of needles totaling 13,200,000 annually.	Pusan	do	202
23-330	Spun rayon yarn spinning plant This project provides for technical assistance and equipment to construct a rayon yarn mill capable of spinning fibers separately or in blends for light weight summer clothing. It is estimated that this plant will produce 1,395,800 pounds per year.	Taegu	do	1,000
23-414	Service and training—Chungju fertilizer plant This project provides technical services in the field of management and in the advisory, operational and training services in the operations of Chungju fertilizer plant. This service is provided for a minimum period of time required to train Korean personnel in the specialized management and operation for the production of urea fertilizer.	Chungju	do	3,131
23-444	Development of domestic building materials plants This project provides for the necessary technical assistance and materials required to develop and improve the indigenous building material industry in Korea, to alleviate both a shortage of such materials and at a lower cost.	Seoul	do	500
23-455	Small industry development Provides through a loan mechanism, the required technical services, machinery and equipment for the development of a great number and wide variety of small private industries, for the production of locally produced consumer necessities and industrial products.	Overall	do	5,500
23-459	Medium industry development Provides through a loan mechanism technical services, machinery and equipment required to develop essential private medium-size industrial plants and facilities.	do	do	15,572
23-492	Industrial development center Provides technical assistance and training through the establishment of an industrial development center designed to achieve a higher level of industrial production and employment.	Seoul	Technical cooperation	405
23-503	Central industrial research center Provides equipment for the testing and analysis of industrial raw materials and finished products as well as providing materials for the required rehabilitation of structures to house such testing equipment.	do	Defense support	300
23-504	Dai Han Shipbuilding Corp Provides engineering services and equipment to permit the construction and repair of oceangoing vessels, manufacture semidiesel and diesel engines up to 500 horsepower, cast iron pipes up to 20 inches and castings and replacement parts for industry.	Pusan	do	340
25-249	Waterworks rehabilitation and expansion This project provides training and equipment required in rehabilitating existing water treatment plants, for the construction of new plants, the replacement of existing steel waterlines or the installation of new steel waterlines in the Seoul city area.	Seoul-Inchon	Technical cooperation Defense support	47 4,935

KOREA—Continued

Project No.	Project title and description	Location	Function	Cost, cumulative through fiscal year 1959
				Thousands
25-405	City drainage improvement	Seoul	Technical cooperation	$9
	Project provides for equipment and materials required to build proper drainage ditches in order to improve the health, sanitary and traffic conditions in Korea.		Defense support	1,254
				9
31-278	Highway and bridge construction and rehabilitation	Overall	Technical cooperation	31
	Provides for restoration and construction of bridges, culverts; construction and improvement of highways including paving, major repair and resurfacing.		Defense support	3,282
31-404	Paving and bridge construction	Seoul	do	1,821
	Provides basic maintenance equipment (machinery) for heavy equipment shop use, where construction equipment is serviced, repaired or rebuilt. These items are essential to complete construction projects initiated and contemplated.			
33-233	Railway rolling stock	Overall	do	5,410
	Provides additional passenger coaches and freight cars within a level sufficient to meet the demands for national defense and to asist in development of the national economy.			
33-234	Railway rehabilitation	do	do	1,620
	Provides for reconstruction and rehabilitation of the largest and major structures required for normal railroad operations. Also provides for relocation, reconstruction, and/or installation of required communication conduits, pole lines wire, and underground cable systems.			
33-239	Railway construction	do	do	4,317
	Provides for extensive construction activities on major railroad lines; activities involve bridge alterations to correct structural defects, relocation of trackage on several lines in order that flood control measures may be effected, and track improvement to meet diesel locomotive weight requirements.			
33-240	KNR logistic support	do	Technical cooperation	8
	Provides logistic support in the shape of coal, lubricants, and other required commodities to permit continued operation of the railroad system.		Defense support	55,453
33-273	Diesel locomotives	do	do	15,001
	Involves procurement of additional diesel-electric locomotives, and necessary remodeling and renovation of the Pusan and Taejon diesel engine shops in order that these facilities wil lbe adequate for full maintenance and repair operations.			
34-261	Port and harbor improvement (major ports)	Inchon, Pusan, etc	do	1,082
	Major construction activities are being implemented at 9 major ports; these activities include completion of 3 port facilities, expansion of existing facilities in the remaining 6 ports. The project will permit berthing of oceangoing vessels which have been denied the use of these ports heretofore.			
34-429	Inchon port rehabilitation	Inchon	do	1,608
	Provides for equipment engineering services and materials required to repair or replace the lock gates and machinery lock chambers, aprons and quay of the tidal basin at Inchon. This project will enable unloading at dockside instead of lengthy and costly lightening.			
36-423	Coastal vessel improvement	Overall	do	500
	Provides for rehabilitation of 50 coastal vessels of approximately 1,500 tons each, and construction of 18 additional vessels, thereby increasing cargo-carrying capacity of the coastal fleet.			

36-502	Marine aids to navigation Provides for the procurement of marine lighting equipment for navigational improvement, modification of existing navigational structures to accommodate the new equipment. Also provides for construction of a buoy depot for the servicing and repair of marine navigational aids.	Coastal areas	do	400
37-267	Civil aviation operations improvement Provides technical assistance for the establishment of civil aviation activities and air navigational aids within the Republic of Korea.	Overall	Technical cooperation Defense support	90 867
51-451	Disease control Provides commodities for disease control, supplies for environmental sanitation activities, laboratory equipment and supplies related to vaccine production, and training of public health technicians in the United States and 3d countries.	do	Technical cooperation Defense support	40 2,228
52-251	Construction of wells Provides for a program of well construction, city-type and rural-type public baths and night soil tanks; also technical assistance is provided by U.S. technicians and trainees are receiving on-the-job experience.	do	Technical cooperation Defense support	10 1,563
52-510	Environmental sanitation Provides imported materials, training, demonstration, relating to the construction and improvement of a comprehensive environmental sanitation system, and its effective operation and maintenance.	do	do	368
53-436	SNU Dental College improvement Provides training for recent graduates or faculty members in the United States in the field of teaching methods; also provides training equipment and supplies, dental motors, laboratory equipment and supplies.	Seoul	Technical cooperation	107
54-505	Public health education Provides funds for the services of a qualified U.S. technician in the health education field, and such minimal equipment as may be required by the public health training program.	do	do Defense support	34 48
54-430	Nursing education Provides for services of 3 nursing education advisers to assist in development of curriculum, improvement of educational materials, selection of demonstration equipment, and consultative services to hospital clinics, health centers and educational institutions.	do	Technical cooperation	303
55-252	Public health facilities improvement Provides construction materials, equipment and furnishings to complete 3 national health institutions (tuberculosis hospital, mental hospital, national blood bank) and a number of health centers which will provide medical care in areas previously without such institutions.	Overall	Defense support	2,243
61-265	Vocational education Involves rehabilitation and upgrading of vocational educational facilities and, through technical assistance activities, aims to improve the educational practices in this field.	do	Technical cooperation Defense support	795 2,211
61-287	Republic of Korea Merchant Marine Academy Provides technical assistance and necessary equipment support for the development of the Merchant Marine Academy into an institution capable of providing necessary training for merchant marine personnel. The Academy will serve as a source of qualified reserve officers for the Republic of Korea Navy.	Chin Hae	Technical cooperation Defense support	128 127
65-511	Secondary education Provides commodity and technical assistance to a program of reorientation of the secondary education system along functional lines; introduction of more practical subject into the curriculum is designed to be responsive to Korea's basic needs.	Overall	Technical cooperation	91
66-258	Seoul National University, technical assistance Provides high level training for technicians, administrators, and leaders of Seoul National University; improvements in administration, curriculums, and teaching methods are under the aegis of a University of Minnesota contract.	Seoul	do	1,050
66-259	Seoul National University operating facilities Rehabilitation and improvement of the war-damaged physical plant and provision of essential laboratory supplies and equipment.	do	Defense support	3,685
66-260	Improvement of teacher training Provides technical services, partly under contract, training and supplies and equipment required for the training of teachers and administrators for primary, middle, and high schools.	Overall	Technical cooperation Defense support	1,364 2,028

KOREA—Continued

Project No.	Project title and description	Location	Function	Cost, cumulative through fiscal year 1959
				Thousands
66-296	Technical assistance in public administration	Overall	Technical cooperation	$626
	Provides university contractual services and training required to supply trained qualified public servants to meet the growing demands of the country and establish a center of research and training in the field of public administration.			
66-512	Higher education	do	do	324
			Defense support	587
	Provides technical services, university contract services, training and necessary materials and equipment to rehabilitate and improve the physical plant of Seoul National University and to strengthen the educational and research programs in the broad fields of agriculture, engineering, medicine, and nursing at Seoul National University.			
71-421	National police modernization	do	Technical cooperation	154
			Defense support	1,876
	Provides a broad program of technical services and basic equipment designed to improve and modernize the training, functioning, and utilization of police and firefighting units.			
72-420	Public administration service	do	Technical cooperation	200
	Provides for a technical survey of existing ministerial and bureau organization patterns and relationships in order to develop more effective governmental services through a broad program of legislative and executive reforms.			
72-493	Economic Development Council	Seoul	do	418
	Provides technical assistance for the establishment of an economic board to analyze economic potential, formulate and describe economic goals, and develop programs relating to the nation's needs in terms of economic policies and priorities.			
74-413	Improvement in Government management and personnel administration	do	do	232
	Aims at development of a corps of technically competent personnel in public administration and modernization of the civil service system; funds are to provide participant training, advisory services of U.S. technicians, and a small amount of demonstration equipment.			
75-271	Improvement of government fiscal management and statistics	Overall	do	1,493
	This project involves technical guidance, training, and some demonstration equipment for the purpose of developing a corps of technically competent personnel in the finance, banking, internal revenue, and statistical agencies of the Republic of Korea, and to assist in development of methods, procedures and programs in the statistical field.		Defense support	200
77-284	Technical assistance in business administration	do	Technical cooperation	1,060
	Provides support to the leading educational institutions of Korea in modernizing and reorienting their schools of economics and business administration through a technical assistance contract with Washington University of St. Louis.			
79-452	Meteorological laboratory	Seoul	Defense support	208
	This project involves assistance to the Ministry of Education for the procurement of essential weather instruments not available in Korea and technical assistance in the installation and utilization of this equipment in meteorological activities.			
81-417	Republic of Korea office building	do	do	950
	Provides assistance in architectural engineering and construction of a modern 8-story office building to provide additional required space for Republic of Korea Government offices.			

81-469	Community Development Demonstration and Training Provides technician services, contract services, basic equipment and supplies to establish demonstration and training centers in each province to encourage rural communities to plan and execute community improvement activities.	Overall	Technical cooperation Defense support	417 48
81-519	Community assimilation and economic development Provides technician services, training, machinery, and equipment required for the development of pilot and demonstration centers in both the rural and urban areas to assist in the resettlement of refugees either to the extent feasible on their own land or in new communities.	do	Technical cooperation Defense support	53 315
82-250	Public health relief This activity, in support of the health of U.N. defense forces, is aimed at prevention of disease in the civilian population in order to stabilize health conditions, and to provide supplies for relief medical care.	do	do	1,687
82-407	Welfare and rehabilitation institutions, training and demonstration Provides demonstration, training, and planning assistance in the development of an overall integrated welfare program, and institutions to rehabilitate people to enable them to meet their own needs.	do	Technical cooperation Defense support	148 120
82-457	CARE milk feeding support program Project finances a contract between CARE and the Republic of Korea Government under which CARE handles the distribution of surplus dairy products provided by the U.S. Government under title III of Public Law 480.	do	do	197
83-448	Housing construction materials Provides material and psychological stimulus for replacing over 400,000 dwelling units now obsolescent or war-damaged and building an additional 80,000 new homes each year, a minimum requirement to keep pace with population growth and natural disaster. It will also assist in reducing shortages in basic building materials, provide credit capital, and establish adequate building industries.	do	do	3,827
83-498	Housing for Chung-Ju fertilizer plant Provides for construction of necessary housing and utilities for workers at the Chung-Ju fertilizer plant. The project is planned, designed, and will be built to serve as a demonstration project for the planning of worker's housing at Korean industrial and commercial plants.	Chung-Ju	do	450
85-449	Housing research and development Provides for publication and dissemination of technical and nontechnical information on housing construction practices; develops housing surveys and studies on conditions, needs, and problems, and provides for research programs on housing materials, methods, and design. Also provides for demonstration of advances in housing construction as a result of research.	Overall	Technical cooperation Defense support	49 147
92-438	Improvement of technical information services Provides technical services, training, and supplies and equipment required to improve and expand the communications media facilities and techniques of the Republic of Korea Government. In addition, trained personnel are being provided in the fields of motion pictures, radio, and printing.	do	Technical cooperation Defense support	1,133 250
92-494	Demonstration Audiovisual Center Provides technical services training and equipment required to establish jointly with the Republic of Korea a demonstration audiovisual center to enable the Koreans to assume full direction of their audiovisual program through the academic, administration, and planning and execution phases.	Seoul	Technical cooperation	329
98-461	Atomic energy training Provides basic training in the United States for Korean scientists in the peaceful uses of atomic energy including the construction and operation of an atomic reactor.	(Argonne Laboratories, United States).	do	95
99-282	General engineering services Provides for a qualified U.S. engineering consortium to furnish advisory engineering services to the Korean Government and to those governmental and private organizations designated by the Government and the USOM under the direction of the Combined Economic Board. Such services are in the fields of industry, power, transportation, and public works.	Overall	do Defense support	990 2,886
99-506	Design and construction engineering services Provides for the contractual services of a U.S. architectural and engineering firm to advise, supervise, and train Korean engineers, to secure competency in both design and construction of Government-owned buildings and related facilities.	do	Technical cooperation	350

CHINA (TAIWAN)

Total economic and military aid through fiscal year 1959

[In thousands of dollars]

Economic (since beginning of ICA and predecessor programs)	$1,003,494
Military (programed since 1950)	2,056,930

Project No.	Project title and description	Location	Function	Cost, cumulative through fiscal year 1959	Accomplishments
				Thousands	
11-453	Agriculture and rural improvement (JCRR) This project is designed to increase agricultural production and improve rural living conditions. The Joint Commission on Rural Reconstruction (JCRR), which directs this project, is a Sino-American group, which works through public and private sponsoring agencies at the provincial and local level. Among the specific activities of JCRR are control of plant diseases and pests, improvement in quality of livestock, strengthening of local farmers organizations, improvement of soil conservation practices, and development of a more adequate agricultural credit program.	Taipei and island-wide.	Technical cooperation Defense support	$2,337 601	The JCRR is the catalytic agent for numerous projects completed each year. In the 9 years since it initiated operations on Taiwan, JCRR has promoted approximately 3,000 projects, in cooperation with sponsoring agencies. Its activities cover the entire island, and are believed to have directly benefited more than 90 percent of the rural population. The work of JCRR has been instrumental in bringing about production increases in rice, sweet potatoes, sugar cane, peanuts, tea, and many other crops. JCRR provided administrative, technical, and financial support to the land reform program, as a result of which 84 percent of Taiwan's families own their own land, as compared to one-third prior to the program.
12-334	Land and water resources development (JCRR) This project is designed to improve and expand the irrigation, drainage, and flood control facilities in Taiwan in order to increase agricultural production. Activities include extension of the area of irrigated land, provision of supplemental water to areas already being irrigated, provision of more adequate flood protection to downstream valleys and reclamation of tidal lands.	---do---	Technical cooperation Defense support	587 1,996	Since 1952, more than 94,000 acres of new land has been irrigated, and more than 380,000 acres have received improved irrigation. Miles of new and improved dikes have furnished flood and typhoon protection to valuable farm lands. Encouragement of a rotational irrigation system has resulted in savings of water, fertilizer, and labor.
27-311	China productivity center The purpose of this project is to improve the productivity of small and medium-sized private industrial enterprises in Taiwan. Activities include improvement of management, introduction of improved production and marketing techniques and promotion of industrial safety measures and quality control methods.	Taipei	Technical cooperation	331	Since its organization in 1956, the center has responded to many inquiries for information and technical services. A number of enterprises have been assisted to increase their production significantly for the local market, and some have been brought to the point where they can export their products, e.g., consumer goods such as electric fans, thermos bottles, etc., for the southeast Asia mar

					ket. The center has already proved itself an important stimulus to the development of private enterprise in Taiwan.
23-053	Hsinchu window glass works The purpose of this project is to provide glass for buildings and other local requirements, thus saving foreign exchange, and also to export glass abroad, thus increasing foreign exchange earnings. Nearly all the raw materials required for the manufacture of glass are available locally.	Chutung	Defense support	433	Production of sheet glass by this privately owned enterprise began in 1956 and soon reached the planned production of 180,000 standard cases per year. In 1957, production of frosted glass and of glass-made blackboards was initiated. A part of the production of the plant is now being exported.
23-055	Chia Hsin cement plant The purpose of this project is to produce 100,000 tons of portland cement annually, in order to help supply sizable local requirements, both military and civilian, and to provide a means of increasing foreign exchange earnings through exports. The manufacture of cement is one of the most promising industries in Taiwan utilizing local raw materials, in this case limestone.	Chia Hsin	do	1,900	Commercial production from this privately owned plant began in 1958, increasing domestic output of cement by about 20 percent.

Project No.	Project title and description	Location	Function	Cost, cumulative through fiscal year 1959
				Thousands
17-339	Forestry development (JCRR) This project aims at supporting various activities designed to expand and better utilize the forest resources of Taiwan. It emphasizes forest surveys, reforestration, and building of windbreaks.	Islandwide	Technical cooperation	$295
18 340	Fisheries development (JCRR) This project provides support to a large number of activities the objective of which is to increase fishing production in the coastal and inland areas of Taiwan, particularly by increased catch through improved equipment and methods.	do	do	29
21-455	Coal mine development The purpose of this project is to increase production of coal to meet the increased demands of Taiwan's new thermal powerplants, cement factories, urea fertilizer and other industrial plants. In connection with the project, coal reserve areas are explored and mapped, and improved mining equipment is furnished.	do	Defense support	1,553
21-456	Mineral development (other than coal) The purpose of this project is to increase the production of minerals such as copper, manganese, dolomite, sulfur, etc., by exploration and evaluation of deposits.	do	do	38
22-357	Hydroelectric power development This project is designed to expand hydroelectric power generation in order to meet civilian and military power requirements. At present this project covers 4 major powerplants: Wusheh, Lung Chien, Ku Kwan, and Ta Chien, which are in various stages of completion. Total installed capacity since 1952, the beginning of this project, has increased from 250,000 kilowatts to about 400,000 kilowatts.	do	do	14,566

CHINA (TAIWAN)—Continued

Project No.	Project title and description	Location	Function	Cost, cumulative through fiscal year 1959
				Thousands
22-473	Thermal power development The purpose of this project is to increase thermal power on Taiwan where it is needed to supplement hydroelectric power, especially during the dry season. At present this project covers the 2-unit Shen Ao plant with, a goal of providing generating capacity of 200,000 kilowatts. Westinghouse International Electric Co. is supplying a generator and other equipment for the 1st unit under a long-term financial arrangement, with ICA financing the remainder of the equipment. The second unit is being financed by aid funds.	Islandwide	Defense support	$27,177
22-474	Primary system improvement This project provides for the expansion of the high voltage or primary power distribution system needed as new electric power generating units are constructed on Taiwan. The project was started in fiscal year 1955.	do	do	9,089
22-475	Power transmission and distribution This project provides for the improvement and expansion of Taiwan's electric power transmission system by correcting unsatisfactory voltage conditions, improving reliability of service, and increasing power transmission capacity as needed. Started in fiscal year 1955, the project has already resulted in improvement and expansion. The capacity for distribution transformers has increased from 264,000 to 366,000 kilovolt-amperes, and the capacity of secondary substations has increased from 421,000 to 515,000 kilovolt-amperes.	do	do	15,880
22-476	Telecommunications This project is for tho purpose of improving and expanding the telecommunications network in Taiwan in order to meet the heavy and increasing demand for basic communication facilities from both military and civilian sectors of the economy. Initiated in fiscal year 1955, project has been expanded annually and provides for participant training as well as procurement of equipment.	do	do	3,710
23-477	Fertilizer production This project consists of several plants including urea, nitrochalk, nitrophosphate, and ammonium sulfate, all of which aro designed to produce chemical fertilizer from locally available raw materials. In so doing, it will reduce one of the heaviest annual drains on Taiwan's foreign exchange resources and help increaso agricultural production.	do	do	9,488
23-479	Industrial base expansion This project is a lithograph-printing and platemaking plant that will make color reproduction facilities available to the publishing industry in Taiwan and thus save the foreign exchange required for having this work done abroad.	Taipei	do	683
23-501	Caustic soda and chlorino The purpose of the project is to expand the Taiwan Alkali Co.'s Kaohsiung plant in order to increase local production of caustic soda and chlorine compounds for industrial consumption.	Kaohsiung	do	212
25-282	Water resources survey The purpose of this project is to survey underdeveloped ground and surface water resources in order to secure additional irrigation, power, and water supply. The services of a U.S. firm have been provided on a contract basis to advise and assist the local water resources planning commission.	Islandwide	do	292

28-313	Handicraft promotion center This project is designed to develop handicraft industries in Taiwan for the manufacture of products with an export potential. With the assistance of a U.S. firm under an ICA-financed contract, the center is attempting to improve utilization of local materials, promote training of workers, and improve and increase production.	Taipei	Technical cooperation Defense support	134 318
23-056	Ta Shu Shan logging operation This project involves the exploitation of a virgin stand of timber in the central part of Taiwan. U.S. aid is planned for providing a logging and milling operation based on the use of diesel yardors and logging trucks and combined with a modern sawmill.	Tungshih	do	1,451
29-323	General industrial training This project provides inservice training in the United States and other countries for key employees of selected local industries.	Islandwide	Technical cooperation	209
23-541	Industrial dynamite The purpose of this project is to provide a source of local production of industrial dynamite and thus eliminate import requirements.	Hualien	Defense support	25
33-427	Expansion of railways This project is designed to expand railroad facilities to meet the transportation needs of the economy as reflected by the increased civilian and military freight and passenger traffic. Initiated in fiscal year 1957, ICA financing is planned only through fiscal year 1960. Specific goals are: (*a*) Increasing the number of diesel locomotives, freight and passenger cars; (*b*) installing central traffic control equipment; (*c*) providing for a wrecking crane; and (*d*) replacing of worn rails, switches, and ties.	Islandwide	do	17,233
34-512	Harbor and shipping development This project is designed to assist in the improvement of (*a*) Taiwan's coastal cargo and tanker vessels by replacement of present obsolete and uneconomical tonnage, and (*b*) 2 major harbors by expansion of cargo-handling facilities, fairways, and deep-water berths. Initiated in fiscal year 1952, the project calls for extension of Kaohsiung harbor to provide a new fairway, deep-water berths, land recovery, and expansion of cargo-handling facilities; and extension of harbor and improvement of port facilities at Hualien.	Kaohsiung, Hualien	do	2,247
37-509	Air transportation improvement The purpose of this project is (*a*) to increase the utilization of the Taiwan airways system and to promote the efficiency and safety of domestic and international flight operations and (*b*) to provide an adequate area for service facilities for modern international air carriers. Advisory services are being provided through the U.S. Civil Aeronautics Administration.	Taipei	Technical cooperation Defense support	100 1,387
51-469	Disease control (excluding malaria) This project provides assistance to the Provincial Health Administration for cooperation with other health agencies such as WHO and UNICEF, in fighting disease, primarily tuberculosis.	Islandwide	Technical cooperation Defense support	238 130
52-536	Municipal water supply This project is designed to help improve municipal water supply in Taichung, one of the major cities of Taiwan, in order to relieve the critical water shortage.	Taichung	do	121
55-492	Taiwan sanitarium expansion Under the auspices of the Seventh Day Adventist Mission, a cancer treatment center is being established at the Taiwan Sanitarium.	Taipei	Technical cooperation	25
59-386	Rural health and sanitation (JCRR) This project provides technical and financial assistance in an extensive rural health program emphasizing provision of health facilities and improvement of environmental sanitation.	Islandwide	do Defense support	93 33
52-458	Improvement of sanitation and water supply The purpose of this project is the construction and demonstration of wells, small waterworks and sewage disposal facilities in rural areas and villages.	do	Technical cooperation	224
54-513	Medical and paramedical education This project provides aid to medical schools, schools of nursing, dentistry, midwifery and other paramedical training institutions in a program aimed at increasing the number and competence of local staff personnel.	do	do	724
55-514	Improvement of hospitals and other health facilities This project provides assistance on a small scale to improve substandard hospital and public health facilities by furnishing advisory services of technicians and training programs for local staffs.	do	do	67

CHINA (TAIWAN)—Continued

Project No.	Project title and description	Location	Function	Cost, cumulative through fiscal year 1959
				Thousands
61-460	Trade and industrial education	Islandwide	Technical cooperation	$1,761
	This project includes development of adequate in-school technical training at the skilled and semi-skilled level, as well as training of vocational industrial teachers. Advisory services have been provided under a contract with Pennsylvania State University.			
63-470	Home economics teacher training	Taipei	do	67
	This project is designed to develop adequate teacher training in home economics at the Taiwan Provincial Normal University. Advisory services have been provided under a contract with Pennsylvania State University.			
62-461	Vocational agricultural education	Islandwide	do	714
	This project involves training at the secondary school level, and development of a vocational agricultural teacher-training program in 1 or 2 colleges (the latter to be assisted by a U.S. university under a contract).		Defense support	55
69-539	Science education	do	do	200
	The purpose of this project is to develop science teaching at the secondary level and to provide support to scientific research facilities in selected colleges.		Technical cooperation	191
66-228	Oversea Chinese education	do	do	996
	The purpose of this project is to attract oversea Chinese students from southeast Asia to Taiwan for higher education in order to prevent them from going to Communist China.			
69-515	Education administration and development	do	do	1,483
	This is a project designed to provide overall educational advisory services, assistance in community school development, support for an education materials center, and assistance in improvement of the engineering college at Cheng Kung University (under a contract with Purdue University).			
72-452	Public administration improvement	do	do	256
	This project provides the services of technicians and training programs for selected employees of Chinese Government agencies in such fields as budget administration, financial analysis and statistics, and taxation.			
92-001	Communications media	do	do	465
	This project is designed to help improve the production of audiovisual materials and the mass communications techniques used by local public information facilities, particularly in connection with economic development.			
99-163	Engineering services	Taipei	do	2,410
	This project is to provide general and consulting engineering services required for the general economic development of Taiwan, with special reference to the ICA aid program. The services are provided on contract with J. G. White Engineering Corp.		Defense support	2,245
99-466	General training	Islandwide	Technical cooperation	73
	This project includes various types of training, such as English language training for participants, and short courses and workshops.			
99-534	CUSA administration	Taipei	do	13
	This project covers the administrative and support costs of the Council for U.S. Aid (CUSA), which is the Chinese Government counterpart of the ICA mission in Taipei.			

VIETNAM

Total economic and military aid through fiscal year 1959

[In thousands of dollars]

Economic (since beginning of ICA and predecessor programs)	$964, 638
Military (programed since 1950)	496, 265

Project No.	Project title and description	Location	Function	Cost, cumulative through fiscal year 1959	Accomplishments
				Thousands	
11-065	Improvement of agricultural education. This project was designed to assist the Government of Vietnam in building and staffing an agricultural college with a capacity of 400 to 600 students. The purpose is to improve the agricultural practices of the country and to help develop a sound agricultural economy.	Blao	Technical cooperation	$536	The agricultural college was opened and began training students in December 1955. The first class of 50 students was graduated in October 1958. Most of the buildings and facilities needed for the college have been completed. Several Vietnamese who have been sent abroad to study agriculture have completed their training and have joined the faculty of the college. The enrollment of the college in 1958-59 was about 300. The college will need some additional technical assistance, but the primary objectives of the project are nearing attainment.
31-021	Highway and bridge construction. This project assists the Government of Vietnam in rehabilitating and modernizing its national highway system to enable military and civilian traffic to move more efficiently and to service new settlements in the high plateau area. Better highways and bridges are essential for the security and economic development of the country.	Saigon to Bien Hoa, Ban Me Thuot to Nhu Trang, Pleiku to Qui Nhon.	Defense support	48, 353	The first accomplishment of this project, which started in 1955, was to make temporary repairs and restore traffic on 75 farm-to-market roads totaling approximately 375 miles. The next phase was the rebuilding of high-priority sections of the highway system of the country by an American contractor. The work has been largely completed except for the construction of bridges. A modern highway department has been established in the Ministry of Public Works and its employees are being trained so that they will be able to maintain and develop the highways of the country when ICA assistance is terminated.

VIETNAM—Continued

Project No.	Project title and description	Location	Function	Cost, cumulative through fiscal year 1959	Accomplishments
				Thousands	
77-080	Development of the National Institute of Administration. Through a contract with Michigan State University this project has assisted the Government of Vietnam in establishing and developing a National Institute of Administration and in providing police instruction. The purpose of the project is to train civil servants and police officers and to provide research and advisory services to the Government of Vietnam in order to introduce modern administrative organization and methods in the Government and to improve financial and personnel procedures.	Saigon	Technical cooperation Defense support	$4,894 982	The National Institute of Administration was established in 1955 and was expanded rapidly to include a 3-year course, a night school, and a graduate school. Training programs have also been extended in several Government departments. Some staff members and advanced students have been sent abroad for further training. Vietnamese language texthooks and teaching materials have been developed for many classes. Most of the classes are now taught hy Vietnamese professors. Members of the MSU group have conducted a number of surveys of Government agencies and made recommendations for reorganizations. Many of these recommendations have been adopted. Police instruction courses have also been established for the national police, the civil guard, and the Vietnamese Bureau of Investigation.
82-075	Resettlement and rehabilitation This project—the 2d phase of the refugee program—assisted the Government of Vietnam in caring for and resettling the refugees who fled from Communist domination in North Vietnam when the country was partitioned under the Geneva agreement of July 1954. The goal of the project was to assist the refugees in building new lives for themselves in South Vietnam. It also helped to counteract the effect of Communist propaganda.	Nationwide	Defense support	6,064	116,000 refugee families, with a total of more than 550,000 members, were cared for and resettled in South Vietnam under this project. The major emphasis of the program was shifted as rapidly as possible from emergency relief to permanent rehabilitation of the refugees. The refugees were settled in more than 300 villages that were designed to become self-sustaining. Abandoned ricefields were restored; new land was cleared and leveled; irrigation ditches, drainage canals, and roads were repaired or built; and work animals, tools, seed, and fertilizer were supplied to the refugee farmers. Fishermen, tradesmen, and small businessmen were also rehabilitated and equipped for their work. The project was brought to a successful conclusion hy the end of 1957.

Project No.	Project title and description	Location	Function	Cost, cumulative through fiscal year 1959
				Thousands
11-058	Development of agricultural extension service	21 provinces	Technical cooperation	$469
	Assists the Government of Vietnam in developing an extensive educational organization through which rural families will be encouraged to apply practical scientific methods of agriculture and home economics.		Defense support	43
11-072	Crop development	Nationwide	Technical cooperation	640
	Undertakes the continued improvement of food and forage crops, fruits and vegetables, sugarcane, pasture and cover crops, fiber crops, medicinal and industrial crops. Imported varieties are introduced to improve quality and to increase disease resistance and production.		Defense support	115
12-046	Improvement of irrigation and water control	do	Technical cooperation	319
	Assists the Government of Vietnam in developing an irrigation and water control system by improving or building canals, dikes drains, gates, dams, and other structures. There is a large element of self-help, e.g., the people, who will, directly benefit, donate their labor to the work of rehabilitation and construction. This project is designed also to equip and upgrade the Government engineering services responsible for such activities.		Defense support	128
12-144	Land development	Southern delta and the high plateau.	Defense support	4,509
	Supports a program of resettling 11,000 to 12,000 families from overpopulated areas on new lands or lands abandoned during the war. This project will bring into cultivation land that is currently nonproductive, and the resettlement of loyal Vietnamese will greatly improve the security and stability of areas of marginal loyalty.			
13-055	Livestock development	Nationwide	Technical cooperation	556
	To increase the number and quality of livestock and poultry through (1) prompt control of diseases by veterinary services and mobile teams, (2) importation of improved breeds, and (3) the establishment of breeding farms where farmers can study improved methods.		Defense support	472
14-143	Improvement of agricultural economics and statistics	Saigon	Technical cooperation	116
	Provides training to Vietnamese in statistical practices in order to help the Government of Vietnam Agricultural Economics and Statistics Service become capable of making estimates of total acreage and yield of major crops and forecasts for policy planning purposes.			
14-218	Improvement of agricultural credit and cooperative organizations	Nationwide	do	203
	This project is designed to support the National Agricultural Credit Office, which provides reasonable credit to farmers and to develop a system of cooperative facilities for purchasing, processing, storing, and marketing.			
18-062	Fisheries development	Coastal areas	do	70
	Increases political and economic stability in sensitive coastal areas by encouraging more effective fishing methods by improving transportation and marketing techniques, by increasing fish production, and by generally developing a national fishery industry.		Defense support	1,281
21-223	Nong Son coal development	Nong Son	do	1,630
	Designed to exploit the coal resources of the Nong Son area for use by local industry and powerplants by providing mining equipment and gondola-type railway cars.			
22-087	Telecommunications development	Nationwide	Technical cooperation	84
	Designed to provide an effective, modern telecommunications system in Vietnam and to establish links with neighboring countries.		Defense support	1,332
22-108	Electric power development	do	Technical cooperation	247
	Provides technical assistance to the Government of Vietnam in establishing an efficient electric power system. It also provides for the purchase of small electric generators for outlying districts.		Defense support	848
22-220	Tan Mai wood panel plant	Tan Mai	do	265
	Provides machinery and equipment for a new pressed wood panel plant, which will utilize scrap wood as a raw material and thereby increase the economy of operation of the Tan Mai sawmill.			

VIETNAM—Continued

Project No.	Project title and description	Location	Function	Cost, cumulative through fiscal year 1959
				Thousands
23-170	Industrial development center	Saigon	Technical cooperation	$54
	Designed to stimulate and vitalize private industrial activity by providing loan capital and technical advisory services for new or expanding small industries.		Defense support	6,540
23-213	Sugar industry engineering survey	Tuy Hoa, Quang Ngai, Thu Dau Mot.	Technical cooperation	40
	Provides the contract services of a team of engineers who will perform all the engineering prerequisite to the establishment of 3 modern sugar mills.			
23-216	Cement plant engineering survey	Ha-Tien	do	270
	Provides contract services for the exploratory work needed for establishing a 160,000-ton-per-year cement plant. A long-range goal of this project is the reduction of foreign exchange requirements.		Defense support	160
25-015	Expansion of rural-urban water supply	Nationwide	Technical cooperation	105
	Assists in establishing a well drilling section in the Department of Public Works by training Vietnamese technicians in the various phases of drilling, completing, and equipping water wells. Wells have been constructed and pumps installed in many areas where the need for potable water was great.		Defense support	546
26-159	Development of small industry	Saigon	Technical cooperation	577
	Promotes the development of Vietnamese handicraft by providing technical and financial assistance for the establishment of a handicraft development center and for the development of improved production techniques and designs.		Defense support	63
29-217	Development of tourism	do	Technical cooperation	52
	Assists the Government of Vietnam to develop a national tourist office which will play an active part in expanding Vietnam's nascent tourist industry.			
33-095	Rehabilitation and improvement of railway operations	Along the coastal plain running from Saigon north to the 17th parallel.	do	20
	Helped the Government of Vietnam restore railway service from Saigon to the 17th parallel and now provides advice and training in railroad management and shop and traffic operations.		Defense support	4,415
34-148	Rehabilitation of inland waterways	Southwestern Vietnam.	do	3,367
	Assists the Vietnamese Government in (*a*) rehabilitating and developing its vast canal network, and (*b*) restoring lighthouses and installing other navigational aids on the Saigon River.			
37-092	Improvement and expansion of aeronautical ground facilities	Tan Son Nhut and other airports.	do	6,835
	Provides technical assistance in air traffic control procedures to enable Vietnam to meet international civil aviation standards. Navigational aids are being provided and installed, existing airfield runways improved, and a heavy-duty 10,000-foot runway will be constructed at the Saigon (Tan Son Nhut) airport.			
53-018	Health services development	Nationwide	Technical cooperation	1,062
	Facilitates the provision of basic health services to the people of Vietnam by helping establish village health centers, organizing mobile district health teams to support and supervise village health workers, and thus promoting an awareness of preventive medicine practices.		Defense support	2,109
54-150	Expansion of medical education facilities	Saigon	Technical cooperation	166
	Designed to strengthen the teaching staff of the faculty of science of the University of Saigon and to develop a medical center consisting of a basic science building and a 500-bed teaching hospital to serve as the physical plant of the faculty of medicine.		Defense support	2,805
54-214	Improvement of nursing and allied education	Saigon, Hue, Can Tho.	Technical cooperation	134
	Assists the Government of Vietnam improve nursing and midwifery service by providing inservice training and technical advisory services to the national schools of nursing and midwifery.			
61-110	Expansion and improvement of technical-vocational education	[illegible] Tho, Saigon, [illegible]h Long, Qui	do	654
	Designed to develop a technical-vocational education program by constructing and equipping provin-		Defense support	6

	cial schools and hy providing preservice and inservice teaching training and other concurrent requirements of a modern technical-vocational school system.	Nhon, Tourane, My Tho, Long Xuyen.		
64-152	Expansion and improvement of elementary education Provides assistance in curriculum development as well as in establishing and equipping new classrooms. There is a large element of self-help in this project.	Nationwide	Technical cooperation Defense support	410 197
65-153	Expansion and improvement of secondary education Designed to provide equipment for new classrooms, to strengthen the science curriculum by establishing science lahoratories, to train teachers in use of the equipment, and to develop a model demonstration school for secondary-school teachers.	do	Technical cooperation Defense support	237 423
66-151	Expansion and improvement of teacher training and higher education Provides for the improvement of curriculum and teaching methods as well as for instructional materials and equipment.	Saigon, Ban Me Thuot, Tan-An, Vinh Long, Qui Nhon, Phu-Tho.	Technical cooperation Defense support	1,341 55
67-209	Scholarships for leadership training Provides for graduates of secondary schools specialized training in the United States in fields which are deficient at the university level in Vietnam.		Technical cooperation	350
68-154	Instructional materials development Designed to assist the Government of Vietnam in writing and puhlishing basic textbooks for the puhlic schools, translating instructional materials in certain fields, and developing a national department of puhlications.	Saigon	do Defense support	254 65
71-120	Improvement of municipal police and surete Designed to strengthen the capability of the police force to maintain law, order, and internal security hy providing technical training and equipment.	do	do	741
71-219	Strengthening civil guard Designed to organize, train, and equip 204 civil guard companies in order to increase their efficiency through improved mohility and better communications.	Nationwide	do	6,008
72-172	Establishment of inservice training Supports an expanded training program for civil servants.	Saigon	Technical cooperation Defense support	47 30
72-174	Modernization of accounting and auditing systems Assists the Government of Vietnam to improve the assessment and collection of taxes, the collection and analysis of hudget, accounting and audit data, and the collection and dissemination of trade and husiness information.	do	Technical cooperation Defense support	39 164
75-211	Establishment of bank examination and insurance system Provides technical assistance to improve hanking policies and practices by developing a system of inspection of local banks and by implementing a training program for local hank examiners.	do	Technical cooperation	24
76-139	Development of government supply system Designed to estahlish an autonomous Government of Vietnam agency to procure project-type commodities and provide related supply services.	do	do Defense support	76 18
78-136	Development of the National Institute of Statistics Designed to develop a professional staff and work program which can provide the Government of Vietnam with hasic statistics urgently needed for the planning of future programs and the evaluation of present activities.	do	Technical cooperation Defense support	187 112
79-081	Puhlic administration training Assists in developing various sectors of public administration hy providing U.S. and third-country workshop and ohservation training.		Technical cooperation	288
92-006	Expansion of government information facilities Assists the Government of Vietnam in the development and use of modern communications media. Activities are aimed at developing institutions, staff, and facilities.	Nationwide	Defense support	2,550
92-165	Establishment of national radio network Undertakes to improve Vietnam's radio facilities hy (1) the creation of a network of small local medium wave frequency stations; (2) improvement of the signal of the principal station at Saigon; and (3) the construction of a 50-kilowatt medium frequency station at Hue.	do	Technical cooperation Defense support	157 994

PHILIPPINES

Total economic and military aid through fiscal year 1959

[In thousands of dollars]

Economic (since beginning of ICA and predecessor programs) $187, 317
Military (programed since 1950) 238, 257

Project No.	Project title and description	Location	Function	Cost, cumulative through fiscal year 1959	Accomplishments
				Thousands	
61-103	Vocational education This project, started in 1951, is designed to support the rehabilitation and improvement of Philippine vocational schools and to strengthen the vocational educational systems. The project emphasizes the training of teachers and school administrators. A contract with Stanford University covering the services of a team of 16 experts in agricultural, trade, and industrial education was begun in 1956 and will he completed in fiscal year 1960.	Various	Defense support and technical cooperation.	$6, 033	Recentiy the number of vocational secondary schools was increased from 85 to 117. ICA aid has been extended to 76 of the original 85 schoois including 5 teacher training institutions. Instruction has heen greatly improved and physicai piant has heen brought into good shape. ICA has assisted the 42 agricultural secondary schools by suppiying hoth equipment and instruction in the proper use of equipment. There were 2,577 graduates in 1957 with marked demand for graduates hy the large agricultural estates and smaller rural communities. Teaching programs in 34 schools have heen supported in the basic areas of aut omechanics, machine shop, sheet metal, woodworking, and electricity. Trade school graduates at the rate of 7,000 a year are taking their piace in industry.
11-053	College of Agriculture and Central Experiment Station. This project, hegun in 1952, has helped establish a research and higher education center capable of providing training and investigation facilities for agricultural leaders, scientists, teachers, and farmers so that these men might make a greater contribution toward increased agricultural production. Beginning in 1954 technical assistance has heen supplied primarily through contract services of Cornell University. The College of Agriculture is now recognized as the leading institution of its kind in southeast Asia.	Los Banos	Technical cooperation	2, 330	The following research and educational activities were accomplished: The professional staff has increased from 99 in 1952 to 247 in 1957. The college has supplied 85 percent of the teachers in agriculture and over 90 percent of the administrators in the 42 agricultural high schools. The number of students increased from 1,000 in 1952 to 3,000, a maximum controlled hy limited registration. Third-country training for southeast Asia was developed. Accomplishments in the research field are numerous. Improved varieties of rice have heen developed, 11 rust-resistant varieties of coffee have been identified, ranges of safety for fungicidal soil

					treatments have been established, young Filipinos have been started on sound research projects after advanced training in the United States.
31-024	Highway improvement This project provides technical assistance, equipment, and commodity support to the Philippine Bureau of Public Highways in its program of improving, extending, and maintaining the highway system.	Various	Defense support and technical cooperation.	27,430	The entire 460 miles of roads in the Mindanao development program have been surveyed and almost all plans have been completed. All but 15 of the 168 bridges included in the project have been designed. Construction has been completed on about 250 miles of road and is underway on an additional 170 miles. About 4,500 miles of the national highway system have been brought up to the standard desired. The training of Philippine personnel under this project will enable the Philippine Government to conduct its Bureau of Public Highways on an efficient basis after the termination of ICA assistance.
81-077	Community development This project provides direct assistance to the office of the Presidential Assistant on Community Development, the agency which surveys local conditions, formulates plans and coordinates all of the government agencies engaged in rural services.	Manila	Defense support and technical cooperation.	1,255	A training school for barrio community development workers has been established. About 1,200 workers have been trained and are working in the barrios giving guidance to 6,000 barrio councils covering one-third of the country. Inservice training has been given to all provincial and municipal community development personnel and to 56 third country participants. The initial program of 4-day lay leadership institute sessions was completed with a total of 22,000 barrio lieutenants and council members having participated. Late in 1959, the Philippine Congress passed several bills providing for increased autonomy for local governments, including barrios. One important provision was the authority for local governments to levy taxes which could be later utilized in community development projects. These laws mark a significant turning point in political development. It is expected that substantial political power will be transferred from the national government to the barrio as the unit of local government.

PHILIPPINES—Continued

Project No.	Project title and description	Location	Function	Cost, cumulative through fiscal year 1959
				Thousands
11-029	Agricultural extension	Manila	Defense support	$2,183
	Provides demonstration equipment, supplies, and technical assistance in organizing, equipping and training personnel in the Bureau of Agricultural Extension in the areas of improved practices in farming, homemaking, and rural youth work in order to increase and diversify agricultural production.		Technical cooperation	
12-041	Water resources planning and development	do	Defense support	772
	Provides assistance in the collection, analysis, and publication of data concerning surface and groundwater resources.		Technical cooperation	
12-051	Soil conservation	do	do	392
	Provides assistance to the Bureau of Soils in soil classification and erosion surveys, soil analysis, application of conservation practices and fertilization experimentation.			
12-097	Land tenure and development	do	Defense support	1,762
	Provides demonstration commodities, educational material, and technical advice and assistance to the following agencies involved in land tenure: Agricultural Tenancy Commission (ATC), Court of Agrarian Relations (CAR), Land Tenure Administration (LTA), National Resettlement and Rehabilitation Administration (NARRA).		Technical cooperation	
12-100	Irrigation services	do	Defense support	10,728
	Provides technical assistance and construction and shop equipment in planning, design, construction, operation and maintenance of gravity irrigation systems and commodity support and technical assistance for the pump irrigation program of the Bureau of Public Works.		Technical cooperation	
13-048	Crop development and diversification	do	do	909
	Provides training, technical assistance, demonstration materials, and research supplies to the Bureau of Plant Industry in efforts to aid farmers diversify production and increase farm yields.			
13-110	Livestock breeding	Nationwide	do	7
	Provides the Bureau of Animal Industry's livestock breeding programs with training services and commodities for equipping artificial insemination centers.			
14-030	Agricultural economics	Manila	do	166
	A technician assists the Agricultural Economics Division to assist in the collecting and publishing of agricultural statistics.			
14-098	Agricultural credit and cooperatives	do	Defense support	3,520
	This project is designed to improve operating practices of rural credit institutions and cooperatives in order to assist farmers in developing, processing, storing, and marketing agricultural produce. The project provides technical assistance, contract services, and machinery and equipment for food processing and storing.		Technical cooperation	
17-038	Forestry management improvement	do	do	1,107
	Provides demonstrational commodities, contract services, and technical assistance to the Bureau of Forestry, DANR, in its efforts to improve forest product utilization, strengthen forest policies, and increase the reforestation rate.			
21-006	Nonmetallic minerals survey	Various	do	1,262
	1 technician assists the Philippine Government in the investigation of nonmetallic mineral resources and their utilization.			

21-015	Strategic mineral survey Provides training, technical assistance, and scientific laboratery and transportation equipment for the conduct of geological surveys on strategic mineral resources including chromite, iron, nickel, cobalt, copper, mercury, and manganese.	Manila	Defense support Technical cooperation	1,120
27-035	Industrial development center Provides technical advice, contract services, and instructional materials to this important agency of the Philippine Government which renders the following services to indigenous industry: financial investment, industrial training, industrial consultation and industrial information.	do	do	1,288
28-073	Industrial research (including Forest Products Institute) Provides assistance to the Philippine Industrial Research and Training Center and supports industrial research activities of the Forest Products Research Institute.	do	Defense support Technical cooperation	250
34-028	Port and harbor improvement This project provides assistance in the rehabilitation, expansion and improvement of the country's harbors and port facilities, including harbor dredging; pier and wharf construction; and harbor protective works.	do	Defense support Technical cooperation	6,754
41-003	Labor education center Provides participant and commodity assistance to the Labor Education Center of the University of the Philippines in support of the center's workers' education program which is designed to develop democratic and responsible leadership in the Philippine trade union movement.	do	do	252
43-060	Labor productivity This project provides assistance to the Department of Labor and the Industrial Development Center in developing an effective program for raising productivity levels in industry in order to improve the earning capacity and real income of the average worker and to raise management profits and reduce consumer prices.	do	do	80
45-102	Manpower development and utilization Provides technical assistance to the Department of Labor and the National Economic Council in the development and implementation of programs related to manpower development and utilization.	do	do	176
51-092	Tuberculosis control This project supplies two mobile X-ray clinic units, complete with auxiliary equipment, film, and supplies, for field use in the national tuberculosis control program.	Various	Defense support and technical cooperation.	419
51-108	Filaria control This project seeks to determine the quantitative and geographical extent of filariasis and to develop and prove control methods for a nationwide filaria control program.	Nationwide	Technical cooperation	18
52-014	Water supply (wells and springs) Provides technical and advisory services, piping and waterworks equipment for assisting the National Waterworks and Sewerage Authority (NWSA) to develop water supplies by the construction of municipal waterworks and the digging of deep wells and the improvement of springs in rural communities.	Various	Defense support and technical cooperation.	6,597
54-004	Health training This project seeks to provide direct health training through participant activities and to establish and strengthen indigenous training institutions and training activities through community and advisory services.	Manila	do	1,495
66-012	University of the Philippines This project contributes to the improvement of the University of the Philippines through the development of administrative management procedures and strengthening its academic and instructional programs.	do	do	3,020
67-093	General education Provides technical and commodity assistance to the Bureau of Public Schools in order to improve the quality of Philippine general education.	do	do	1,039
71-090	Police improvement This project supports the development of the National Bureau of Investigation as the central service and coordinating law enforcement agency of the Philippines.	do	Technical cooperation	403

PHILIPPINES—Continued

Project No.	Project title and description	Location	Function	Cost, cumulative through fiscal year 1959
				Thousands
73-075	Civil service improvement Provides technical assistance to the Bureau of Civil Service in its organizational, staffing, technical, and administrative procedures in order to strengthen the civil service system.	Manila	Technical cooperation	$176
75-010	Revenue administration improvement Provides technical advisory assistance to the Bureau of Customs and the Bureau of Internal Revenue which are the tax collection and revenue administration agencies of the Department of Finance.	do	do	516
75-066	Budgeting and accounting adviser This project aims toward the modernization of budgeting, accounting, and auditing in order to form a basis for the development of a national fiscal policy and the related cyclical national budget.	do	do	1,401
78-052	Statistical survey Provides technical assistance and participant training to Philippine agencies in support of statistical surveys designed to supply accurate data on demographic and economic characteristics.	do	do	212
78-106	Census project Provides business machines and equipment to the Bureau of Census and Statistics for the undertaking of the 1960 census of population and agriculture.	do	Defense support	100
79-079	Public administration improvement This project aims at improving the administration and operation of the Philippine Government by providing support commodities and technical advice and assistance to appropriate Philippine Government agencies and by developing the local administrative resources conducive to improved government management.	do	Technical cooperation	1,385
92-042	National Media Production Center This project provides support to the National Media Production Center in its efforts to disseminate information concerning economic and social development.	do	do	375
98-074	Atomic energy training Provides training in the use of atomic energy tools under the program to develop peaceful uses of atomic energy sponsored by the United States.	do	do	104

INDONESIA

Total economic and military aid through fiscal year 1959

[In thousands of dollars]

Economic (since beginning of ICA and predecessor programs) $51, 785
Military (programed since 1950) ..... ------

Project No.	Project title and description	Location	Function	Cost, cumulative through fiscal year 1959	Accomplishments
				Thousands	
23-089	Gresik cement plant training. To provide technical and management guidance as well as oversea and on-the-job training for the operation of the Gresik cement plant. The construction of the plant was financed by an Export-Import Bank loan.	Surabaya	Technical cooperation	$783	This project was recently completed and the Indonesians are now in control and able effectively to manage the cement factory, equipped with American machinery, which supplies 40 percent of Indonesian cement requirements. With the help of the ICA-financed training, the Indonesians have now advanced to the point where the Export-Import Bank was able to approve a loan application to finance a 3d kiln for this factory.
46-024	Railroad workers' welfare services. To demonstrate advantages of producers cooperatives and productivity of labor in expanding output; to help non-Communist unions in raising workers' standards of living.	Java	do	307	Under the guidance of American technicians and with the help of American equipment, the supplies of food and clothing distributed through the railway cooperatives has been vastly increased. 2 rice mills have been established and the output at existing clothing and shoe factories has been considerably increased.
54-029	Medical education. Through means of a college contract and training of Indonesians in the United States, assistance was provided to improve teaching methods, curriculums, administration, and laboratory techniques at the leading Indonesian medical school.	Djakarta	do	2,351	As a result of this project an institution has been established in Indonesia which is capable of making a noteworthy contribution to the pool of doctors in that country. It is also better able to train instructors who can be used, in turn, to train additional doctors in other medical schools of the country. One measure of the success of the project lies in the increase of the number of doctors graduated, which was raised from 30 in the year preceding the start of the project to about 100 in 1959.

INDONESIA—Continued

Project No.	Project title and description	Location	Function	Cost, cumulative through fiscal year 1959
				Thousands
11-112	Agricultural extension, research, and education The purposes are (1) to improve the already established agencies and institutions in the field of agriculture so as to improve skills, stimulate production, and contribute to a higher standard of living, and (2) to establish a complete agricultural college, with teaching and research facilities.	Djakarta, Bogor, various islands.	Technical cooperation and special assistance.	$3,313
12-113	Land development and conservation The purpose is to devise and apply land use and conservation measures for obtaining optimum sustained production from better land management. It includes training in the management, operation, and maintenance of machinery for clearing, preparation of new land, and providing essential commodities for establishing demonstration and training programs.	Pasar Mingu, various islands.	Technical cooperation	1,034
18-001	Expansion and modernization of marine and inland fisheries The object is to increase fish catches by means of improved vessels and equipment, most of which are manufactured locally; improve distribution and preservation by means of assistance in processing techniques; and train administrators and technicians for key positions.	Kota Baru, Moluccas, North Sumatra, Java.	do	558
21-043	Mining operations This project was designed to assist in the long-range effort to develop sources of minerals for Indonesia, both for domestic consumption and export, and to insure that adequate production facilities are available, including the technical manpower needed to staff the facilities and administrative organization concerned.	Various islands	do	560
22-106	Diesel electrification This is a program to install 99 diesel generators in 66 different localities throughout the islands.	do	Development assistance.	7,000
23-017	Industrial development techniques This project is largely in support of technical institutes organized by the Ministry of Industry and of the Ministry itself, the institutes to provide basic engineering facilities, services, and trained personnel in implementing the Government's industrial program.	Djakarta, Bandung, Djojakarta, and other localities.	Technical assistance	1,492
25-102	Engineering survey contracts This general project has provided contract engineering services for surveys to test the feasibility of specific projects proposed by the Government of Indonesia for development of the country.	Sumatra, Java	do	522
28-073	Training within industry This project was designed to train supervisors for Indonesian industry in order to improve productivity and utilization of labor.	Djakarta, Bandung, Semarang, Surabaja, and other localities.	do	145
31-105	Highway construction and rehabilitation This project finances the rehabilitation, partial relocation, and construction of roads in Sumatra and Java.	Djakarta, Sumatra	Special assistance Development assistance.	7,455 545
39-103	Development of transportation facilities This project, largely consisting of participant training, is designed to improve the skills of operational, administrative, and executive personnel of transport facilities.	Djakarta	Technical cooperation	567
41-093	Labor leadership training This project is designed to train qualified labor leaders for Indonesian trade unions and for the Labor Ministry of the Republic of Indonesia.	Various islands	do	366

54-109	Public health education and administration Provides assistance to the Ministry of Health in the establishment of a rural health demonstration area which will provide the staffing and training pattern for development of local health services in rural Indonesia.	Bekasi in West Java	do	347
54-121	Medical education (Airlangga) To assist Indonesia in raising health standards and medical practices by means of the development of a medical faculty at the University of Airlangga, Surabaja.	Surabaja	do	1,287
61-020	Vocational education teacher training Through a contract with Tuskegee Institute and through training of Indonesians in United States, this project assists in the reorganization and expansion of vocational education on the junior high school level, the upgrading of vocational teacher trainers, and demonstration of shop techniques.	Various islands	do	1,711
66-114	Development university level staff To provide consultative advice to Indonesian University authorities, specialized training for selected members of the university staff, and assistance in the development of staff at 2 universities. In addition, assistance is included to provide a technical library on higher education for the Ministry of Education and basic textbooks in English for institutions of higher education.	Djakarta, Bandung, Djojakarta.	do	4,683
71-117	Public safety administration Dedicated to the improvement, modernization, reorganization, and streamlining of the R.I. National Police Force administration and operation.	Various islands	do Special assistance	2,968 3,863
72-035	Government administration training Training officials at all levels of the Indonesian Government and the establishment of an Institute for Public Administration to enable Indonesia to conduct its own inservice training.	Djakarta, Djojakarta, Malang.	Technical cooperation	1,387
92-059	Audio-visual technical support To assist the Indonesians in the development of the techniques necessary for the conduct of information and education programs.	Djakarta	do	231
92-110	USOM office building This project involves the construction of an office building for USOM personnel.	do	Special assistance	400
92-115	Communicatious media training This project assists the Ministry of Information in the development of techniques for the planning, programing, production, distribution, and evaluation of communications media.	do	Technical cooperation	634
98-098	Atoms for peace To help train personnel needed to develop and staff atomic research center.	University of Indonesia at Bandung; Gadjah Mada University in Djojakarta.	do	53

THAILAND

Total economic and military aid through fiscal year 1959

[In thousands of dollars]

Economic (since beginning of ICA and predecessor programs) $158,031
Military (programed since 1950) 304,718

Project No.	Project title and description	Location	Function	Cost, cumulative through fiscal year 1959	Accomplishments
				Thousands	
31-066	Friendship Highway. This 93-mile stretch of highway completed in July 1958 runs from Saraburi to Korat and forms a basic link in the important north-south road system from Thailand's capital city of Bangkok to Nongkai on the Lao border. The road was built to American engineering standards under the supervision of private U.S. contractors.	Northeast	Defense support	$14,360	The highway has opened up the underdeveloped and economically depressed northeast section of Thailand to economic development by making the markets and port of Bangkok accessible to the northeast at lower cost and in less time. More than 1,000 vehicles travel over the highway daily compared with the few oxcarts that formerly used the rough, dry-weather road. Many acres of new land are being cleared and cultivated with rice, corn, sugarcane, kapok, tobacco, and bananas.
13-033	Livestock development. To improve breeding stock, control livestock disease, improve forage crops, and improve marketing facilities.	Thailand	Technical cooperation	865	Through this project the livestock industry of Thailand has developed to a position of economic importance. 292 purebred breeding cattle and 263 swine have been imported to upgrade the stock and their offspring are now being distributed. From a deficiency, livestock has risen sufficiently to permit the export in 1957 of $1,300,000 of livestock and livestock products. The 1957 export earnings were more than the total U.S. contribution in dollars. In addition the development of a sound livestock industry is of great significance to the economically depressed northeast area of Thailand (approximately a third of the nation). Also, as a result of the greater number of cattle, and hogs, a modern slaughterhouse and meat processing plant is being constructed by a private company.

THAILAND—Continued

Project No.	Project title and description	Location	Function	Cost, cumulative through fiscal year 1959
				Thousands
11-029	Agriculture extension	Thailand	Technical cooperation	$1,083
	To assist the Government of Thailand to improve the economic status and living conditions of farm families through the establishment of an Agricultural Extension Service.			
11-130	Improvement of Kasetsart University	Northeast	do	998
	Through a contract with Oregon State University to strengthen the research and extension program of Kasetsart University.			
12-191	Agricultural resources use and conservation	do	do	110
	To teach proper land use, improve conservation practices and improve productivity of arable land.			
13-032	Crop improvement	Thailand	do	1,628
	To increase productivity in Thailand through the development of improved crop management practices and utilization of marginal lands.			
13-033	Livestock industry development	do	do	865
	To develop a comprehensive livestock improvement and disease control program through training in production methods, and development of feed concentrates and marketing facilities.			
14-034	Agriculture credit and marketing	do	do	1,211
	To improve the existing credit program and to establish diversification of marketing services.			
21-038	Mining development	Northwest	do	368
	To evaluate exploitable mineral deposits, discover new mines, encourage private investment through the Department of Mines.			
21-153	Airborne Geophysical Survey	Thailand	Defense support	160
	To provide for a survey to pinpoint areas to be prospected and explored for mineral deposits. Survey will provide maps, cross-sections, and profiles of promising areas.			
22-155	Bangkok interim power	Bangkok	do	1,981
	To provide Bangkok with a 10,000 kilowatt diesel electric powerplant to meet power requirements until permanent power is available in 1963 through Yan Hee Dam.			
22-187	Power services and training	do	Technical cooperation	2,085
	To provide electrical consulting, engineering services; to provide "on the job" and academic training; to provide U.S. technical advice to improve Bangkok distribution services.			
29-139	Industrial technical advisory services	Thailand	do	18
	To provide technical assistance in the establishment of the Industrial Finance Corporation.			
31-089	General highway improvement equipment pool	do	Defense support	3,000
	This project, a subproject of the general highway improvement project, provides for the establishment of a pool of major items of heavy construction equipment for lease or rental to privately owned local contracting firms and proposes future funding for maintenance and replacements.			
	Korat-Nongkal Highway	Northeast	do	25
	This project, a subproject of general highway improvement, proposes reconstruction of approximately 360 kilometers of highway from Korat, northern terminus of the recently completed northeast highway, to Nongkal on the Lao border in extreme northeastern Thailand.			
	Funds spent to date have been utilized for preliminary engineering and for construction of an access road from the highway to the new Thai-Laos ferry slip and railhead facilities on the outskirts of Nongkal. No commitment has been made on future years funding shown proposed below. If and when construction of this project is approved, it will be written as a separate and distinct project under a separate project number.			

THAILAND—Continued

Project No.	Project title and description	Location	Function	Cost, cumulative through fiscal year 1959
				Thousands
31-184	East-West Highway Engineering and construction of approximately 142 kilometers of highway between Pitsanuloke and Lomsak in north central Thailand which will form a principal link in the development of an east-west road system across the country.	North central	Defense support	$11,387
31-185	Bangkok-Saraburi Highway Engineering and construction of 107 kilometers of highway between Bangkok and Saraburi, the latter city being the starting point of northeast highway.	Northeast	do	765
37-050	Aeronautical ground services improvement To develop an efficient system of domestic and international ground facilities to support air transport within, to, and from Thailand.	Bangkok	Technical cooperation Defense support	357 3,226
37-117	Meteorological services improvement To improve Thailand's National Weather Service System, to modernize weather facilities and scientific equipment, to develop meteorological services required for safe operation of aviation.	Thailand	Technical cooperation Defense support	41 419
37-152	Aviation overhaul and maintenance facility To provide an aircraft repair facility at Bangkok Airport for commercial and military use.	Bangkok	Technical cooperation Defense support	30 3,580
53-053	Local health development To develop and demonstrate techniques for adequate public health services in rural Thailand through self-help programs and promotion of sanitation practices.	Thailand	Technical cooperation	3,208
54-016	Medical education To aid in the establishment of a medical and nursing school in Chiengmai; to set standards of hospital operation and medical care; to train nurses and doctors.	Chiengmai	do	2,044
61-057	Technical institute To provide a sound functional organization for the Thailand Technical Institute in order to help increase Thailand's supply of skilled workers and technicians.	Bangkok	do	1,237
61-162	Improvement of vocational education (agriculture) To assist vocational agricultural schools, to produce well-qualified teachers, community farm repair shops and improve farm practices.	Thailand	do	1,338
64-186	General education development To establish 12 educational centers in Thailand to raise levels of teaching and develop local education support and control.	do	do	880
66-021	University teacher training Development of a teacher training program to produce capable teachers, supervisors, and school administrators.	Bangkok	do	2,831
66-124	Improvement of science at Chulalongkorn University Endeavors to improve the quality of engineering and science faculty members and to improve the staff in organization, administration, and teaching methods.	do	do	875
71-160	Civil police administration To strengthen the police force to develop capacity to maintain law and order and preserve internal security of Thailand.	Thailand	Defense support	1,306

72-119	Bangkok-Thonburi city pianning To devciop a plan for the metropolitan area and institutionalize city pianning in Thailand through iand use and pianniug iegisiation.	Bangkok	Technical cooperation Defense support	520 923
75-098	Modernization of government fiscai management To improve fiscai and management practices of the government covering training of personnel in budgeting, accounting, revenue management, and planning.	do	Technical cooperation	814
75-146	Economic policy and planning Provides advice to government officials in matters of policy in economic development and financiai affairs.	do	do	245
77-063	Public Administration Institute at Thammasat University Through academic and in-service training to improve quality and skills of government personnel.	do	do	1,657
78-156	Government statistical service To institute improved government statistical practices on which economic policy and planning can be based.	do	do	104
81-157	Community development Provides a technician and training programs to help develop an inter-ministerial program in community development.	Thailand	do	60
92-065	Audiovisuai services and training Development and operation of centralized communications media service and facilities to demonstrate uses and values of media as instruments of public service.	Bangkok	do	313
98-085	Peaceful uses of atomic energy To train personnel in the operation of a nuclear reactor which Thailand intends to procure with U.S. financial assistance.	do	do	281
99-108	Ground water exploration Provides for basic geological and ground water studies essential for the preparation of plans for the development of ground water resources in northeast Thailand.	Thailand	do Defense support	47 2,164
99-188	General training To provide training for participants in the fields of agriculture administration, program planning, and procurement, who will assist the Thai Government in the effective administration of the aid program to Thailand.	do	Technical cooperation	110

INDIA

Total economic and military aid through fiscal year 1959

[In thousands of dollars]

Economic (since beginning of ICA and predecessor programs)	$380,769
Military (programed since 1950)	-------

1. *Project.*—Home science education and research (386–63–060).
2. *Location.*—New Delhi, Bombay, Madras, and Calcutta.
3. *Purpose and description.*—Provides assistance for strengthening and developing home science education in four selected institutions, the Lady Irwin College, New Delhi; Viharilal Mitra Institute, Calcutta; South India Educational Trust, Madras; and Indian Women's University, Bombay, India.
4. *Project accomplishments.*—Contract services being performed by the University of Tennessee have provided eight professors to the four regional demonstration centers, strengthening the university staffs in home science. U.S. participant training for 11 Indian home science educators has been provided and 9 major workshops for inservice training of Indian home science faculty members have been held.

Dr. Myra Bishop, chief of party, and Dr. Dorothy Lyon are presently stationed at Lady Irwin College, New Delhi.

5. *Cost (cumulative through end fiscal year 1959).*—

	Thousands
Technical cooperation	$346
Development assistance	683
Total	1,029

1. *Project.*—Modern storage of food grains, 386–15–031.
2. *Location.*—Hapur, Avadi, Cochin, and Calcutta.
3. *Purpose and description.*—Provides services of a U.S. agricultural engineer (farm structure), assigned to the Ministry of Food and Agriculture at New Delhi, advising on construction of grain storage facilities. As facilities are erected, the technician assists on storage problems including drying, cleaning, and fumigating.
4. *Project accomplishments.*—This project has provided technical advice and commodities for construction and testing of grain storage facilities and testing of grain in storage. A 10,000-ton elevator with auxiliary facilities was completed in fiscal year 1958 at Hapur (near New Delhi). This is the first modern storage facility of its kind for bulk storage in India. The other silo (at Calcutta) is under construction. Forty-five of the 50 prefab buildings have been erected in other parts of the country. Construction is underway on the remaining five prefabs at Cochin.
5. *Cost (cumulative through end fiscal year 1959).*—Technical cooperation, $1,426,000.
1. *Project.*—Malaria eradication, 386–51–135.
2. *Location.*—Headquarters: National Malaria Institute, New Delhi (program countrywide).
3. *Purpose and description.*—Prior to World War II an estimated 100 million cases of malaria and 2 million deaths from malaria occurred in India each year. Assistance is being provided the Indian Government to achieve its goal of malaria eradication by the end of fiscal year 1963 by providing U.S. specialized consultants, training for key personnel, and the bulk of insecticides and commodities not available in India.
4. *Project accomplishments.*—This project is a direct outgrowth of the national malaria control project begun in fiscal year 1953 and ended in fiscal year 1957. When the original malaria control project was terminated, both the number of cases and of deaths had declined to less than one-fifth of the pre-World War II number. Highest priority is assigned to the new project, which must be completed before mosquitoes develop resistance to the insecticides. There are now 390 control units to protect more than 230 million people in hyper-mass-endemic regions. DDT consumption in fiscal year 1959 increased to 22,000 tons in contrast to 4,500 tons in 1953.
5. *Cost (cumulative through end of fiscal year 1959).*—

	Thousands
Special assistance	$16,695
Development assistance	4,847
Technical cooperation	650
Total	22,192

INDIA—Continued

Cumulative obligations through fiscal year 1959 by projects

AGRICULTURE AND NATURAL RESOURCES

		Thousands
86–11–004	Determination of soil fertility and fertilizer use. Advisory services to Ministry of Food and Agriculture in problems related to fertilizer use and soil testing.	$914
86–11–007	Agriculture and home science extension and training. Includes across-the-board advisory services in extension methods and home science to Government of India and States.	1,752
86–11–028	Agriculture education and research. Finance contracts with 5 land grant universities for assistance to institutions in the 5 regions of India, to expand and improve agricultural and veterinary education and research and extension.	7,814
86–11–042	Agricultural information. Assistance to Indian Council on Agricultural Research in dissemination of agricultural information.	400
86–11–147	Uttar Pradesh Agricultural University. Assist with establishment and development of an agricultural university, along the lines of a U.S. land grant university, which will emphasize integration of education, research and extension.	600
86–12–156	Soil and water conservation. To assist in initiating and developing an effective program of technical assistance to cultivators in field of soil and water conservation.	134
86–13–041	Livestock improvement. Establishment of a laboratory for veterinary biological standardization and production; cattle improvement, swine improvement, poultry improvement.	544
86–13–061	Crop production and development. Production and demonstration of hybrid maize; instruction in operation of cereal quality testing; advice on potato culture; advice on seed certification and methods of weed control; assistance to Terai State Farm U.P. on drainage and use of farm machinery.	482
86–13–069	Dairy development. Increase quantity and supply of milk and milk products through training Indian personnel in dairy plant management.	862
86–13–100	Calcutta milk scheme. Assist in developing a dairy to permit an extension of outlets for milk and the management of a 6,000-acre fodder farm where over 28,000 milk animals are maintained.	450
86–14–043	Agricultural economic research. Assistance on methods of gathering and analyzing agricultural outlook data, concerning production, consumption, process, and production credit.	235
86–14–067	Farmers' organization. Participant training to help develop farmers' organization and farm leadership.	216
86–14–149	Cooperative membership education. To assist all Indian Cooperative Unions popularizing co-ops and educating membership re opportunities and responsibilities; test effectiveness of simple educational aids.	45
86–15–031	Modern storage of foodgrains. Comparison of indigenous types of storage with metal buildings and elevators; experimentation in bulk handling, artificial drying and other modern techniques.	1,426
86–15–093	Cooperative marketing and warehousing of agriculture. Technicians assigned to Central Warehousing Board will advise on standards, grades, and ways and means of facilitating movement of bulk storage. Also participant training will be provided.	450
86–18–005	Expansion and modernization of marine and inland fisheries. Training to determine location, types, and amounts of fish available in Indian waters; demonstration of marine and inland fishing methods; assists establishment of demonstration fisheries extension center and school of fisheries.	2,912

INDIA—Continued

AGRICULTURE AND NATURAL RESOURCES—continued

Thousands

86–19–022 Training in agriculture machinery utilization $188
The training center at Budni, equipped in part from prior year funds and partly by Government of India, trains farmers and government agency employees in maintenance and use of farm machines.

INDUSTRY AND MINING

86–21–016 Exploratory lignite excavation and development 609
Participant training in subjects related to exploitation of lignite mines.

86–21–128 Geological survey of India 413
To assist through advisory services and participant training in development skills needed for India's mineral program.

86–21–132 Oil and Gas Commission 55
Participant training in oil and gas exploration.

86–21–148 Coal industry 37
Participant training in operation and maintenance of coal mining.

86–22–045 Electrical distribution system "hot line" maintenance 355
To establish two training centers in new techniques of maintenance and repair of energized high voltage transmission and distribution lines.

86–25–020 Rihand Valley Development 6, 024
Advisory services on proper utilization of construction equipment and the employment of modern concrete dam building techniques.

86–25–059 Technical services in water resources and power 811
Advisory services and participant training in aspects of river valley development and power projects.

86–27–115 National productivity council 871
Assistance in newly established program to increase productivity of Indian industry.

COMMUNITY DEVELOPMENT, SOCIAL WELFARE AND HOUSING

86–81–008 Community development program 13, 716
Provides assistance at the national and state levels by a concentrated participant training program in the techniques of training villagers to take over more activities connected with the program.

86–82–058 Social welfare education 629
Provides assistance in the field of social welfare and social work education by providing advisors to social work educational institutions and participant training in the United States.

GENERAL AND MISCELLANEOUS

86–91–142 Banking and investment 79
Provide assistance to Indian banking executives by setting up training opportunities in banks to enable them to observe and study American banking practices, particularly in the field of industrial finance.

86–98–076 Nuclear engineering 228
Provides training in the United States of participants from the Department of Atomic Energy in the field of nuclear engineering.

86–99–000 Technical support 3, 741

PAKISTAN

Total economic and military aid through fiscal year 1959

[In thousands of dollars]

Economic (since beginning of ICA and predecessor programs).	$362,924
Military (programed since 1950)	(1)

Classified.

Project title and number.—Construction of fertilizer factory, 91–23–007.
Location.—Mari-Indus Daud Khel.
Purpose and description.—Under this project engineering services and equipment were supplied for the construction of a fertilizer plant with a scheduled production capacity of 50,000 tons of ammonium sulphate per annum.
Accomplishments.—The first fertilizer was produced at this plant on January 30, 1958. The plant is now being operated at design capacity by the Pakistan Industrial Development Corporation.
Cost through fiscal year 1958, completion.—Obligated, $12,910,000.
Project title and number.—Railway diesel locomotive school, 91–33–032.
Location.—Karachi.
Purpose and description.—The objective of this project was to train Pakistani personnel in the operation and maintenance of diesel locomotives and other railway equipment, to permit effective utilization of the large amounts of modern railroad equipment supplied under IBRD loans and ICA project assistance.
Accomplishments.—When the American advisor completed his assignment in fiscal year 1957, 862 Pakistanis had received instruction in diesel locomotive operation, electrical repairs, mechanical repairs and shop foreman techniques. The 10 Pakistanis who had received training in the United States were capably continuing the classes in the west Pakistan school and were establishing a similar school in east Pakistan. A report dated September 8, 1959, from the mission in Karachi states, "Another project that has been particularly successful in its impact is the diesel training school located in Karachi, which has been operated satisfactorily by the Government for several years. This project was initiated by the USOM and is now training approximately 400 men per year for the North Western Railway in Pakistan. Participants from nearby countries have made very good use of this school, and it is recommended for any countries desiring to train personnel in almost any phase of railway operation or maintenance. At the present time arrangements are in process to allow 5 Iranian railway personnel to obtain training here."
Cost through completion, fiscal year 1957.—$135,000.
Project title and number.—Medical technical and nursing education (Postgraduate College of Nursing) 91–54–061.
Location.—Karachi.
Purpose and description.—The basic purpose of this project is to improve and expand nursing education by providing a corps of registered nurses trained for administrative and teaching positions in nursing colleges. A specific objective is to provide advanced clinical experience facilities for the postgraduate college students in demonstration areas (medicine, surgery, obstetrics and pediatrics) developed in the Government Civil Hospital in Karachi.
Accomplishments.—In 1947 Pakistan had only 400 qualified nurses. The number had increased to 1,500 by 1958, but even this provided only 1 nurse for more than 50,000 people. More and better staffed schools of nursing are therefore essential in order to provide training for the nurses the country needs so badly. The Postgraduate College's first class of seven were graduated in 1957, and nine were graduated in 1958. All members of these two classes obtained teaching or administrative positions in schools of nursing or hospitals in Pakistan. There were 13 nurses in the graduating class of 1959.
Cost through fiscal year 1959.—Obligated: $442,000.

PAKISTAN—Continued

Project title	Number	Location	Obligations through fiscal year 1959
Farm demonstration work Technicians, participants and demonstration equipment to introduce improved techniques and increase production, particularly of foods.	91-11-025	Pakistan	$3,613,000
Soil mechanics and hydraulic laboratory Assistance in establishing a laboratory for the testing of soils for both government and commercial clients.	91-12-013	Karachi	168,000
Soil and water conservation Technicians, participants and demonstration equipment to improve soil and water conservation practices.	91-12-027	West Pakistan	558,000
Punjab ground water survey Assistance in inventorying the ground water potential in selected areas of West Pakistan and in establishing a government organization to continue ground water exploration work.	91-12-035	do	4,008,000
East Pakistan Forest Research Laboratory U.S. Forest Service personnel have assisted in installing and teaching the operation of equipment in a laboratory designed to enable the Government of Pakistan to make more effective utilization of its forest resources.	91-17-003	Chittagong	490,000
Fisheries development, West Pakistan Technicians, participants and equipment for the development of the fishing industry in West Pakistan. This project now includes the Karachi fish harbor.	91-18-054	West Pakistan	664,000
Fisheries development, East Pakistan Technicians, participants and equipment for the development of the fishing industry in East Pakistan.	91-18-055	East Pakistan	368,000
Agricultural worksbops Assistance in establishing and in training Pakistanis in the operation of workshops for the repair and maintenance of agricultural equipment in Khairpur, Khanpur, Dacca, Tando Jam, Peshawar Lyallpur, and Quetta.	91-19-029		1,003,000
Plant protection Insecticides and pesticides have been supplied and Pakistanis have been given on-the-spot and U.S. training in plant disease and insect control.	91-13-022	West Pakistan	810,000
Bureau of Mines and Geological Survey Under an agreement with the U.S. Geological Survey assistance is being given to the Pakistan Geological Survey in locating and appraising mineral resources.	91-21-073	do	460,000
Karnafuli multipurpose project Under contracts with the International Engineering Co. and Utah International, Inc., a multipurpose dam is being constructed. Further funding of the contracts is being provided under a Development Loan Fund loan.	91-23-023	East Pakistan	19,740,000
Industrial Technical Assistance Center Under a contract with the Daco Machine Tool Co., an Industrial Research and Development Center has been established which provides technical services to Pakistani industries.	91-23-074	Lahore	532,000
Engineering services for projects Under a contract with the Parsons Engineering Co., 20 engineering specialists are provided to advise and assist on various projects.	91-23-076	Pakistan	1,599,000
Rehabilitation of railroads Diesel-electric locomotives, railway carriages, and wagons have been provided under this project. Additional equipment is now being procured under a DLF loan.	91-33-100	do	14,723,000
Improvement and expansion of aviation ground facilities Aviation ground facilities equipment has been supplied and U.S. Federal Aviation Agency personnel are training Pakistani technicians in its proper installation, operation, and maintenance.	91-37-051	do	4,415,000
Developement of civil air transportation Under a contract with Pan American World Airways, Pakistani technicians are receiving training in the repair, maintenance, and overhaul of aircraft, aircraft equipment, and communications facilities; also in airline management, processing of traffic, and other phases of airline operations.	91-37-062	Karachi	4,283,000
Labor relations training This project provides an American adviser in labor relations and U.S. training for Pakistanis.	91-49-105	Pakistan	127,000
Karachi water supply Engineering services for this project have been provided under 91-23-076. Supplies and equipment have been furnished for the construction of a bulk water supply system for Karachi. Further funding is being provided under a DLF loan.	91-54-024	Karachi	5,558,000

PAKISTAN—Continued

Project title	Number	Location	Obligations through fiscal year 1959
Basic Medical Science Institute Under a contract with Indiana University, technical assistance and equipment are being provided to this institute.	91-54-088	Karachi	$398,000
Public health advisory services This project provides doctors, nurses, and sanitarians, and U S. training for Pakistanis.	91-59-012	Pakistan	974,000
Intercollege exchange Technical assistance and equipment are being provided to universities in Lahore, Peshawar, and Dacca through contracts with the State College of Washington, Colorado State University, and Texas A. & M. College.	91-66-009		6,548,000
Teacher training institutes Contracts are being negotiated with Indiana University and the Teachers College in Greeley, Colo., for assistance to newly established teacher training institutes in Lahore and Dacca.	91-66-053		60,000
Senior educational leaders training A U.S. study and observation tour for 3 senior educational leaders in Pakistan.	91-68-081	Pakistan	9,000
Senior civil servants training Under a contract with the University of Southern California, groups of 20 Pakistani civil servants are given an intensive training program in the United States in public administration procedures.	91-72-105	do	840,000
Institute of Public and Business Administration Assistance has been provided to this institute under a contract with the University of Pennsylvania. This university stressed business administration, and, because the GOP wants a shift in emphasis to public administration, the Pennsylvania contract has been terminated and a contractor well qualified to provide assistance in public administration is being sought.	91-77-111	Karachi	686,000
Executive practices in public administration This project was to provide U.S. training or observation tours for high level Pakistani Government officials.	91-77-112	Pakistan	33,000
Development of statistical services Under an agreement with the Bureau of Census, assistance is being given in developing an effective statistical service in Pakistan.	91-78-037	do	544,000
Village aid American technicians teach Pakistani village aid workers methods through which villagers can improve their own standards of living. Youth and adult education clubs and classes are organized, health and sanitation techniques are introduced, improved agricultural methods are taught, etc.	91-81-001	do	5,442,000
Audiovisual aid A film sound recording and processing laboratory has been provided under this project. This laboratory supplies educational films to various government agencies.	91-92-065	Karachi	345,000
Atomic energy research and development Laboratory equipment has been supplied, U.S. training has been given to Pakistani participants, and an American engineer is being provided under the engineering services project to assist the Pakistani Government in its atomic energy research program.	91-98-104	Pakistan	526,000

ISRAEL[1]

Total economic and military aid through fiscal year 1959

[In thousands of dollars]

Economic (since beginning of ICA and predecessor programs)	$298,074
Military (programed since 1950) [1]	936

[1] All credit financing.

Project title and number.—Animal husbandry (71–13–161).

Location.—Countrywide.

Purpose and description.—Assistance to the Ministry of Agriculture in achieving maximum sustained production of quality poultry and grazing animal products through an efficient utilization of livestock, manpower, water, land, and facilities.

Accomplishments.—The beef cattle herd has increased from 1,000 in 1948 to 15,000 today; dairy cattle herd has increased from 18,800 to 44,000 head during the same period. Poultry production, in terms of eggs per laying hen per year, has increased from 134 to 200 since 1948; poultry diseases, except for the chronic respiratory types, are now under control. Assistance in improving livestock health, except for leptospirosis, is no longer needed. Work continues in expanding and improving the sheep population. The major continuing effort is in the field of dairy sanitation.

Cost (cumulative through fiscal year 1959).—$264,200.

Project title and number.—Field and horticultural crops (71–13–127).

Location.—Countrywide.

Purpose and description.—Assistance in (1) the imparting of technical and organizational knowledge for effecting measures whereby farm management practices are improved and expanded, (2) the establishment of expanded and more effective use of plant protection measures, and (3) the improvement of cultivation methods, all toward the end of assuring an increased production of cereals, forage, vegetable, and fruit crops at lower per unit cost.

Accomplishments.—Accomplishments include tremendous increases in field and horticultural crops production, the incidence of plant diseases and infestation has been reduced, a toxicology laboratory has been established, the use of mechanized farm implements has increased, and seedbed preparation and cultivation have improved.

Cost (cumulative through fiscal year 1959).—$198,200.

Project title and number.—Industrial design (71–26–119).

Location.—Tel Aviv and Haifa.

Purpose and description.—To improve standards of industrial design through the introduction of modern design concepts as regards functional utility, esthetic appeal, packaging, etc., so as to increase the marketability of Israel commodities, particularly abroad. These complementary approaches to the problem are utilized: Academic courses at the Israel Institute of Technology; programs of public information, professional stimulation, and general design improvement; and the establishment of a practicing industrial design facility.

Accomplishments.—Third- and fourth-year industrial design courses, supported by a first-year course in basic design and a second-year course in human engineering, have been established at the Israel Institute of Technology; also established at this institution are five or six specialized courses on the graduate level. An institution—the Israel Institute of Industrial Design—has been established for the purpose of carrying out a program of public information and design stimulation; a permanent exhibition center has been established as a part of this institution. The practicing industrial design facility—the Israel Products Design Office—has been established.

Cost (cumulative through fiscal year 1959).—$374,450.

Project title and number.—Teacher training and vocational education (71–69–251).

Location.—Countrywide.

Purpose and description.—This project is a consolidation of three previous projects—vocational education, supervisory, and teacher training—and the emphasis is on vocational education. The specific objectives are the development

[1] All project activity in Israel is restricted to technical cooperation financing

ISRAEL—Continued

and implementation of an integrated plan for vocational education; to provide a continuous, adequate, and efficient manpower force to meet expanding production needs; and to provide more effective training for teachers of vocational education.

Accomplishments.—Vocational education centers have been established in five locations in Israel, and the establishment of a sixth is planned. A long-term master plan for vocational education is being developed by the Government of Israel. The selection of teachers and instructors has improved immensely.

Cost (cumulative through fiscal year 1959).—$611,000.

Project title and number.—Research, extension, and education (71–11–159).

Location.—Countrywide.

Purpose and description.—Assistance to the Government of Israel in improving and coordinating agricultural research, extension, and education toward the end of making it possible for Israeli agriculture to more adequately meet the requirements of an increasing population.

Cost (cumulative through fiscal year 1959).—$2,121,800.

Project title and number.—Range and forestry (71–12–162).

Location.—Countrywide.

Purpose and description.—Assistance to the Ministry of Agriculture in formulating sound plans and implementation methods for the development, administration, and maximum utilization of forested areas and grazing lands. A former objective of this project was the development and efficient utilization of Israel's sea fisheries resources, an objective which has been realized.

Cost (cumulative through fiscal year 1959).—$293,000.

Project title and number.—Water resources (71–12–266).

Location.—Countrywide.

Purpose and description.—Assist in the development and maintenance of Israel's water resources, primarily for use in agricultural irrigation and drainage, but also industrial and domestic purposes.

Cost (cumulative through fiscal year 1959).—$232,000.

Project title and number.—Agricultural and water resources, supervisory (71–19–186).

Location.—Countrywide.

Purpose and description.—Formulate and execute a well conceived and integrated program of developmental activities in the field of agriculture and water resources, utilizing all of the various types of official U.S. assistance which are or may become available for the purpose (e.g., technical cooperation, special assistance, Development Loan Fund, Public Law 480 sales proceeds, mutual security program section 402 proceeds, etc.). The objective is to be achieved through (*a*) close working relationships between the supervisory staff in the USOM Agriculture and Water Resources Division and appropriate agencies and authorities in the Israeli Government, and (*b*) supervision, guidance, and assistance to the various U.S. technicians in the Division

Cost (cumulative through fiscal year 1959).—$83,000.

Project title and number.—Minerals development (71–21–035).

Location.—Countrywide.

Purpose and description.—Assist in the exploration, development, exploitation, and beneficiation of Israel's mineral deposits. Implementation is effected through working relationships between U.S. technicians and the Ministry of Development, the Israel Mining Co., the Israel Geological Survey, the Israel Institute of Technology, and other agencies involved in various aspects of the minerals development program.

Cost (cumulative through fiscal year 1959).—$572,800.

ISRAEL—Continued

Project title and number.—Oil field development (71–21–210).
Location.—Northern Negev.
Purpose and description.—Assistance in assuring the proper conservation techniques in the development of oilfields and strengthening the technical competence of the Petroleum Commissioner's Office and Oil Division of the Geological Survey, directed toward overcoming the present inadequacy of experience in the control of petroleum production and the regulation of an oil industry.
Cost (cumulative through fiscal year 1959).—$58,650.

Project title and number.—Development of selected industries (71–23–222).
Location.—Countrywide.
Purpose and description.—Technical guidance to the Government of Israel and Israeli industry in the specific fields of chemicals, food processing, metals, textiles, tanning, and packaging. Efforts are directed toward facilitating development in these fields. The project, created in fiscal year 1957, combined five separate projects in existence theretofore.
Cost (cumulative through fiscal year 1959).—$600,300.

Project title and number.—Export marketing (71–24–167).
Location.—Tel Aviv, Haifa, and Jerusalem.
Purpose and description.—Provide an improved basis for facilitating the entry of Israeli products into world markets by (1) establishing an Israel Export Institute to assist industry in analyzing, developing, and exploiting the possibilities of export sales, undertaking market research and evaluation studies, (3) assisting in the improvement of export promotional activities, and (4) assisting in improving pertinent governmental operations and services.
Cost (cumulative through fiscal year 1959).—$60,000.

Project title and number.—Tourism (71–24–255).
Location.—Countrywide.
Purpose and description.—To provide assistance to the Government of Israel Tourist Corporation and other agencies, associations, etc., in the implementation of a broad tourism expansion program which includes (1) public relations, (2) improvement of efficiency in hotel operations, (3) planning and organization of tours, (4) organization and operation of various tourist services, and (5) improved food preparation in hotels and restaurants.
Cost (cumulative through fiscal year 1959).—$85,350.

Project title and number.—Productivity (71–27–040).
Location.—Tel Aviv.
Purpose and description.—To strengthen the operations of the Israel Institute of Productivity in order to permit it to better cope with the problems of industrial productivity.
Cost (cumulative through fiscal year 1959).—$99,100.

Project title and number.—Management training (71–27–163).
Location.—Haifa and Jerusalem.
Purpose and description.—Provision of a broad approach to problems of raising levels of managerial skills, through a long-range educational program, for the purpose of improving industrial efficiency and providing a sounder basis for future industrial development. The objectives are to be attained through university-to-university contracts between (1) the Israel Institute of Technology and New York University, whereby a graduate school of industrial management engineering would be established at Israel Institute, and (2) the Hebrew University and New York University, whereby a department of business administration would be instituted within the Eliezer Kaplan School of Economics of that Israeli institution.
Cost (cumulative through fiscal year 1959).—$906,050.

ISRAEL—Continued

Project title and number.—Executive development (71–27–262).
Location.—Countrywide.
Purpose and description.—Originally a part of the management training project, this project is designed to increase executive and managerial efficiency by developing programs of immediate impact, and utilizing seminars and other appropriate activities, directed toward the already existing managerial group in Israel. Implementation is to be effected in conjunction with the Israel Management Center, which was recently established as an association of managers for the purpose of improving managerial competence.
Cost (cumulative through fiscal year 1959).—$126,000.

Project title and number.—Inspection, standards, and quality control (71–29–223).
Location.—Tel Aviv.
Purpose and description.—Assist in the development of an effective and properly equipped standards institute, capable of adequately servicing Israel's industry and trade by (1) preparing, publishing, and distributing appropriate standards, (2) conducting laboratory tests for compliance of industry with established standards, (3) engaging in pertinent research and development activities, and (4) maintaining an adequate field inspection staff. The ultimate objective is an overall improvement in the standards of materials and manufactures and the attainment of a consistency of quality, toward the end of achieving a greater marketability for Israeli products, particularly abroad.
Cost (cumulative through fiscal year 1959).—$198,500.

Project title and number.—Transportation development (71–39–243).
Location.—Countrywide.
Purpose and description.—A consolidation in fiscal year 1958 of four previous projects—transportation planning, automotive requirements and maintenance, road construction and operation, and maintenance of Israeli railroads—this project is designed to provide assistance in the development of all transportation facilities commensurate with the expanding requirements of a rapidly developing economy.
Cost (cumulative through fiscal year 1959).—$219,000.

Project title and number.—Nuclear sciences (71–98–180).
Location.—Countrywide.
Purpose and description.—Improve Israeli nuclear science competence by providing for the participation of Israeli physicists, chemists, and engineers in courses offered by the School of Nuclear Science and Engineering and special programs in the field of nuclear science in the United States.
Cost (cumulative through fiscal year 1959).—$46,200.

Project title and number.—Economic and financial development (71–99–261).
Location.—Countrywide.
Purpose and description.—To facilitate, through programs of participant training in the United States and elsewhere, Israel's efforts to establish a comprehensive program for economic development. This project will, possibly, be expanded in fiscal year 1960 to include activities directed toward attracting private foreign investments. This project also embraces one of the primary aspects of another project—industrial development planning—which was terminated in fiscal year 1959; hence, all expenditures allocable to the terminated project are arbitrarily assigned to this project.
Cost (cumulative through fiscal year 1959).—$94,050.

ISRAEL—Continued

Project title and number.—Industry, mining, and transportation, supervisory (71–29–187).

Location.—Countrywide.

Purpose and description.—Provide liaison with various Government of Israel agencies interested in and responsible for industrial, mining, and transportation development. Provide general supervision, guidance, and assistance to USOM technicians in the fields of industry, mining, and transportation. The goal is the development and execution of a well conceived and integrated program of developmental activities, in these three economic fields, utilizing all the various forms of assistance provided or generated by the United States, i.e., technical cooperation, Development Loan Fund, special assistance, and local currency.

Cost (cumulative through fiscal year 1959).—$179,000.

TURKEY

Total economic and military aid through fiscal year 1959

[In thousands of dollars]

Economic (since beginning of ICA and predecessor programs)	$723,966
Military (programed since 1950)	1,717,231

Project title and number.—Vocational and trade schools (77–61–135).

Location.—Izmir, Ankara.

Purpose and description.—Development of automotive and electrical electronics training schools and programs. Emphasis is on teacher training so that the schools may continue to function effectively after U.S. support has been withdrawn.

Accomplishments.—The Turkish Ministry of Education has expanded the vocational school at Izmir, constructed a new school at Adana, and purchased land to expand the Vocational Teacher Training Institute in Ankara. More than 500 students have enrolled in the Izmir Vocational School. New texts and training aids are now in use in various schools. Plans are underway for a school in Istanbul.

Cost.—Cumulative obligations through June 30, 1959, $1,096,000.

Project title and number.—Industrial Development Bank (77–23–285).

Location.—Istanbul.

Purpose and description.—A private Industrial Development Bank was established in 1950 for the purpose of stimulating new private enterprises, expanding existing industries, encouraging the participation of foreign and domestic private capital, and assisting in the development of a securities market in Turkey. ICA, the Development Loan Fund, and the International Bank have made foreign exchange available.

Accomplishments.—The bank has been operating for over 9 years, and has contributed substantially to the growth of private industrial development in fields considered to be most beneficial to the industrial development of the project.

Cost.—Cumulative obligations through June 30, 1959, $7,991,000.

Project title and number.—Bosphorus aerial transmission line (77–22–245).

Location.—Istanbul.

Purpose and description.—Design and supervision of the construction of a 154 kilovolt transmission line across the Bosphorus.

Accomplishments.—Construction is in process and will increase the power supply of Istanbul. This transmission line is essential to industrial expansion.

Cost.—Cumulative obligations through June 30, 1959, $1,546,000.

TURKEY—Continued

Cumulative obligations through fiscal year 1959, by projects

AGRICULTURE AND NATURAL RESOURCES

	Thousands
77–11–075 Farmer services institutions Provides specialists in various fields to train Turkish extension workers.	$246
77–12–142 Water resources Water resources planning for irrigation and hydropower uses.	672
77–12–149 Land and water use Soil conservation and irrigation.	451
77–13–150 Livestock and poultry development Training in improvement and production. Breeding and proper feeding to improve stock.	564
77–13–151 Crops, grass and forage development Training in improvement for livestock use. Seed improvement; range management; etc.	317
77–17–252 Forestry development Development of national forestry program. To produce forest products to reduce imports; conserve and improve forest crops.	489
77–19–263 General agriculture administration Provides special high-level training for provincial governors.	19
77–15–306 Meat packing industry Improvement of packing operations and accounting procedures.	2, 805

INDUSTRY AND MINING

77–22–251 Operation and maintenance of hydroelectric plants Participant training.	80
77–22–267 Hydrological data study and planning Collation of stream gaging, power reservoir, load estimating, and other power and hydrological statistics.	160
77–22–268 Electrical network analyzer study Analysis of power distribution and proposed power systems.	10
77–22–291 Utility directors training Training.	22
77–29–271 Industrial center Assist in establishment of a Turkish Industrial Center to foster industrial management development training and provide technical information and aids to private and state industries.	130
77–29–276 Industrial allocations system Development and installation of system of allocation of imports to Turkish industries.	35
77–21–288 Preventive maintenance Provides assistance to Turkish personnel in preventive maintenance for construction, mining, milling, and smelter machinery.	40
77–21–315 Institute of Applied Geology (Istanbul) To support institute in developing staff, organization, and administration to train practical geologists.	5

TRANSPORTATION

77–31–175 Highway engineering advisers Advice and training in construction, improvement, and maintenance of national highway system for military and civilian use.	582
77–37–232 Airline operation training program (Ankara) Assist Turkish airlines to train Turkish civil aviation personnel in modern techniques of airline operations, including airline management, repair, maintenance and overhaul of aircraft, aircraft engines.	1, 640
77–37–264 Civil aviation training program (Ankara) Development, in Ministry of Communications, of a Department of Civil Aviation to operate and maintain existing civil aviation ground facilities and services.	598

TURKEY—Continued

		Thousand
	LABOR	
77–41–180	Workers education Development of free trade unions through workers' education in trade union administration.	$55
77–42–293	Industrial training (apprenticeship) Establish on-the-job training programs to produce skilled mechanics in selected plants and industries.	85
77–44–235	Industrial relations research Study of American industrial research centers as basis for establishment of such centers in Turkey.	14
77–49–258.	Ministry of labor trainees Training in industrial safety, workers' health and conciliation and mediation.	45
	EDUCATION	
77–69–169	Georgetown English language program Development of English language teaching program.	430
77–66–211	Nebraska University, professional and higher (Ankara) education Assisting ministries of education and agriculture and establishment of Ataturk University in eastern Turkey.	1, 760
77–69–294	General education services (Ankara) Assisting Ministry of Education in improvement of basic education system to develop better qualified candidates from elementary and secondary schools both for higher regular education and for military training.	998
	PUBLIC ADMINISTRATION	
77–71–287	Civil police administration Development of modern civil police methods and practices.	721
77–72–298	Public administration services (Ankara) Introduction of modern administrative methods in management, records, and organization into key Turkish Government offices and institutions.	202
77–289	Health and sanitation Help in setting up administration and advising on physical plant for school of nursing.	250
77–77–212	New York University (Ankara) Help in improving public administration program at the University of Ankara.	788
77–74–318	Etibank management improvement	100
	COMMUNITY DEVELOPMENT, SOCIAL WELFARE AND HOUSING	
77–84–282	Aided self-help housing To meet urgent need for simple techniques using indigenous materials to improve substandard conditions.	26
	GENERAL AND MISCELLANEOUS	
77–98–266	Atomic energy training program Training of Turkish personnel to participate in future atomic energy programs in Turkey.	312
77–99–000	Technical support.	

GREECE

Total economic and military aid through fiscal year 1959

[In thousands of dollars]

Economic (since beginning of ICA and predecessor programs)	$916,435
Military (programed since 1950)	980,101

Project title and number.—Agricultural extension training and research assistance (40–11–008).
Location.—Nationwide.
Purpose and description.—To establish an effective and permanent extension service.
Project accomplishments.—Greece now has one of the best extension programs in the area.
Cost.—Cumulative obligations through June 30, 1959, $303,000.
NOTE.—Several other projects contributed to the fulfillment of the program objectives.

Project title and number.—Air Transport Advisory Group (40–37–131).
Location.—In several parts of Greece, including Athens.
Purpose and description.—To provide training and technical assistance in connection with the installation of a modern navigational aid system.
Project accomplishments.—Project objectives largely achieved with operation of several VOR installations.
Cost.—Cumulative obligations through June 30, 1959, $127,000.

Project title and number.—Production and marketing (40–14–010).
Location.—Athens and countrywide.
Purpose and description.—Primarily third country training in marketing, livestock, seed, credit, and construction techniques.
Cost.—Cumulative obligations through June 30, 1959, $240,000.

Project title and number.—Agricultural credit advisers (40–14–133).
Location.—Athens and countrywide.
Purpose and description.—Improvements in the functioning of the agricultural bank are sought through U.S. consultants, advisers, and participant training.
Cost.—Cumulative obligations through June 30, 1959, $27,000.

Project title and number.—Office of Food and Agriculture Adviser (40–19–137).
Location.—Athens.
Purpose and description.—Advisory services are provided both to the USOM Director and the Ministry of Agriculture.
Cost.—Cumulative obligations through June 30, 1959, $33,000.

Project title and number.—Training in modern industrial methods and processes, wool textile industry (40–23–063).
Location.—Countrywide.
Purpose and description.—Participants are provided training in the United States in selected industrial fields to learn modern industrial techniques.
Cost.—Cumulative obligations through June 30, 1959, $48,000.

Project title and number.—Office of the Industry Adviser (40–29–138).
Location.—Athens.
Purpose and description.—Advisory services are provided both to the USOM Director and several Greek ministries.
Cost.—Cumulative obligations through June 30, 1959, $20,000.

GREECE—Continued

Project title and number.—Economic Development Financing Organization (40–29–140).
Location.—Athens.
Purpose and description.—American advisers will assist in the strengthening of the Economic Development and Financing Organization (EDFO) which provides credit to the private sector.
Cost.—Cumulative obligations through June 30, 1959, $13,000.

Project title and number.—Labor and Trade Union Leadership (40–41–053).
Location.—Countrywide.
Purpose and description.—To strengthen attitudes favorable to democratic progress in trade unions, advisory services and participant training are provided in workers' education and trade union leadership.
Cost.—Cumulative obligations through June 30, 1959, $141,000.

Project title and number.—Training of apprenticeship trainers (40–42–090).
Location.—Countrywide.
Purpose and description.—To complement efforts to provide vocational education, advisory services and participant training are provided in apprenticeship programs. Apprenticeship training will be inaugurated outside the Athens area where assistance has not been possible until this time.
Cost.—Cumulative obligations through June 30, 1959, $23,000.

Project title and number.—Office of the Labor Adviser (40–49–139).
Location.—Athens.
Purpose and description.—Advisory services are provided both to the USOM Director and the Ministry of Labor.
Cost.—Cumulative obligations through June 30, 1959, $23,000.

Project title and number.—Public Safety Advisory Group (40–71–089).
Location.—Athens and countrywide.
Purpose and description.—The United States is assisting in the strengthening of the internal security forces of Greece through training of Greek police officers in the latest U.S. organizational arrangements and techniques and through the provision of U.S. advisory services in the fields of organization and training.
Cost.—Cumulative obligations through June 30, 1959, $913,000.

Project title and number.—Training in nuclear energy (40–98–064).
Location.—Athens.
Purpose and description.—Advanced training directed toward the effective utilization of an atomic reactor.
Cost.—Cumulative obligations through June 30, 1959, $41,000.

Project title and number.—Technical support (40–99–000).
Location.—Athens.
Purpose and description.—Funds cover the USOM training officer who provides services to other parts of the mission in implementing the program.

3. ICA does not provide project assistance to Greece except in the small technical cooperation program.

SPAIN

Total economic and military aid through fiscal year 1959

[In thousands of dollars]

Economic (since beginning of ICA and predecessor programs) $433,731
Military (programed since 1950) 407,018

Project No.	Title	Location	Purpose and description	Accomplishments	Cumulative cost through June 30, 1959	Functional breakdown [1]		
						Technical cooperation	Defense support	Discontinued accounts
					Thous.	*Thous.*	*Thous.*	*Thous.*
52-76-048	Industrial management school.	Madrid	To assist establishment of a school of industrial management to teach postgraduate level industrial management and business administration methods.	More than 130 middle management level trainees from Spanish industry graduated from school to date.	$148	$44	$46	$58
52-37-034	Civil aviation	Madrid and other airports.	To provide air navigation equipment and instrument approach facilities for Spain's international airports and to furnish basic components of an air traffic control system. Supplements facilities installed by U.S. Air Force in connection with base construction program.	12 major airports out of target of 30 now adequately equipped; may also be used for emergency military landings.	279	178	15	86
52-23-133	Steel industry, cold rolling mill equipment.	Bilbao	To provide spare parts equipment for 2 private companies which had received basic equipment under nonproject aid in fiscal year 1954 defense support program ($4,000,000). Purpose is to provide facilities for sheet steel production for railroads, rolling stock, tin plate, and other essential products imported heretofore.	Mill now in operation which permits import saving at a time when Spain's uncncumbered foreign exchange holdings are practically nil.	592	----------	402	190
52-21-140	Petroleum, oil, and lubricants (POL) laboratory equipment.	Madrid	To permit Spanish Aeronautical Institute to achieve proper testing standards of POL so that Spanish fuel supply will meet international standards for use in MAP-supplied equipment and to encourage civilian sector of POL industry to adopt improved testing methods.	More than 60 Spanish technicians working in POL laboratory. Proper POL testing has commenced.	190	14	71	105

See footnotes at end of table, p. 171.

SPAIN—Continued

ELECTRIC POWER INDUSTRY

Project No.	Title	Location	Purpose and description	Accomplishments	Cumulative cost through June 30, 1959	Functional breakdown [1]		
						Technical cooperation	Defense support	Discontinued accounts
52-22-050	Thermal power hoilers	Southern Spain	To increase thermal power capacity in order to eliminate electricity restrictions during dry periods.	Contributed to new thermal capacity of 631,000 kilowatts during 1957-58. Of moro than 1 million kilowatts in new capacity from 1954 through 1958, 10 percent financed by ICA. No severe restrictions occurred since 1954-55 winters.	*Thous.* $5,638	*Thous.* ----------	*Thous.* $5,638	*Thous.* ----------
52-22-141	Electric power				1,899	----------	45	$1,854
52-22-127	Bottleneck items	Throughout Spain.	To help reduce electric power transmision line losses.	Contributed to reductions of transmission line loss from 25 to ahout 18 percent between 1953 and 1958.	3,587	----------	1,148	2,439

AGRICULTURE AND NATURAL RESOURCES

					Thous.	*Thous.*	*Thous.*	*Thous.*
52-13-088	Crop improvement	Not available		Training in improvement of crop varieties, and strengthening staff of Ministry of Agriculture.	$27	$7	$9	$11
52-13-090	Livestock improvement	do		Development of technical knowledge in the improvement in quality and quantity of livestock.	46	30	3	13
52-12-094	Soil improvement	do		Development of a Soil and Water Conservation Service in Ministry of Agriculture.	41	3	28	10
52-17-109	Forestry demonstration	do		To develop improved methods of reforestation, increase forest products yield, and train adequate staff of foresters.	146	80	51	15
52-13-173	Dairy production, process, and distribution.	Madrid and several regions.		Training in the use of modern dairy machinery, and to increase quantity and quality of milk production.	540	22	502	16
52-19-201	Agricultural engineering	Not availahie		Training of engineers of tho Ministry of Agriculture in operation and maintenance of modern farm machinery.	30	30	----------	----------
52-12-211	Irrigation and reclamation demonstration.	do		Training in use of modern equipment and techniques of drainage.	43	43	----------	----------
52-11-218	Agriculture extension demonstration	----------		Training to strengthen the Extension Service	76	76	----------	----------

				Thous.	Thous.	Thous.	Thous.
52-29-047	Technical aid services	Not available	Technical literature, film, and aids in support of the technical cooperation program.	$73	$33	$25	$15
52-29-075	Expansion of activities of Spanish NCIP.	do	Specialized training in various fields for middle management and foremen.	6		6	
52-26-103	Marketing and distribution practices	do	Training in marketing and distribution practice of consumer products.	87	25	25	37
52-27-106	Industrial engineering studies	do	Training in industrial engineering and management techniques.	72	16	19	37
52-27-136	Shoe industry consultant services	Madrid, Barcelona, Mallorca, Alicante.	Consultants to assist the National Commission for Industrial Productivity in presenting training courses for management and technical personnel, and organization of a pilot plant.	28	28		
52-21-140	Petroleum, oil, and lubricant (POL) laboratory (INTA).	Madrid	Engineering services and laboratory equipment to assist the National Technical Aeronautical Institute in establishment of a petroleum products testing laboratory.	190	14	71	105
52-27-153	Industrial management seminar	Madrid, Barcelona, Bilbao.	Seminars for top management in aspects of management, marketing, production.	20	8	11	1
52-29-164	Industrial productivity studies	Not available	Studies of productivity of various industries	145	90	18	37
52-27-172	Executive management studies	Madrid and other industrial regions.	Study of American management practices; assignment of a personnel management adviser to assist NCIP in preparation of material for personnel management courses, to give lectures, and advise private firms on personnel management problems.	91	29	31	31
52-27-175	Textile production	Madrid, Barcelona, Alicante, Salamanca.	Consultants to advise the NCIP on problems relating to textile factory organization.	36	36		
52-27-179	Management techniques in defense production.	Not available	Training of senior officers of Spanish military forces and top management personnel of defense industries to improve management of plants.	17		12	5
52-23-180	Inplant training in military production.	do	Inplant training in manufacturing methods for Spanish industries which supply material and equipment to Spanish military forces.	92	71	11	10
52-24-185	Tourism promotion	Madrid and other regions.	Study by Spanish tourist officials of U.S. techniques and methods of promoting tourism; survey by a U.S. travel firm of tourist facilities in Spain; and assistance to the Director General of Tourism by U.S. architect in design and construction of small hotels.	44	26	18	
52-26-216	Export promotion consultant service	Various regions	Study by an American consultant of Spanish industry and handicraft for purpose of stimulating increased exports.	18	18		
52-21-217	U.S. geographical survey school of photogeology.	Not available	Training in photogeology of participant from the Institute of Geology and Mining.	4	4		
52-27-220	Industrial consultant services	Madrid and industrial areas.	Adviser to the NCIP on operation of an industrial consulting service.	3	3		
52-21-221	Oil exploration and production study	Not available	Training of top level representatives of Government and private interests in field of exploration and production of oil.	8		8	
52-29-223	Ground water development for public water supplies.	do	Training of Spanish engineers at a short course in ground water as a source for public water supplies.	7	7		

See footnotes at end of table, p. 171.

SPAIN—Continued

TRANSPORTATION

Project No.	Title	Location	Purpose and description	Cumulative cost through June 30, 1959	Functional breakdown [1]		
					Technical cooperation	Defense support	Discontinued accounts
				Thous.	*Thous.*	*Thous.*	*Thous.*
52-31-032	American highway practices	Not available	Training of engineers in highway construction methods	$33	$22		$11
52-37-034	Civil Aviation Mission	Madrid	Advice on air navigation aids, operations and maintenance procedures for airway personnel; on-the-job training for control towers and communications personnel.	279	178	$15	86
52-33-054	Railroad management studies	Not available	Training of RENFE (railroad) personnel in the maintenance of diesel locomotives.	34	20	14	
52-32-190	International road federation training program.	do	Training in highway engineering for graduate engineers	10	9		10
52-31-193	Training highway construction operators mechanics.	do	Training of mechanics and operators in the use and maintenance of heavy construction equipment in the modernization program for Spanish highways, ports, and hydraulic projects.	92	91		1

EDUCATION

52-61-115	Technical education study	Not available	Training for the reform of technical and vocational education in Spain.	*Thous.*	*Thous.* $18	*Thous.* $3	*Thous.* $6

COMMUNITY DEVELOPMENT

52-83-134	Housing studies	Not available	Training of architects in methods and practices of town and country planning.	*Thous.* $88	*Thous.* $31	*Thous.* $10	*Thous.* $47

GENERAL AND MISCELLANEOUS

				Thous.	*Thous.*	*Thous.*	*Thous.*
52-98-197	Training in nuclear energy	Not available	Training personnel of the Spanish Commission for Nuclear Energy in "peaceful uses of atomic energy."	$64	$64		
52-98-219	Atomic energy in agriculture	Madrid	Provides the National Institute of Agronomic Research with a radioisotope laboratory with associated equipment for agriculture experiments.	50	[2] 50		

PUBLIC ADMINISTRATION

				Thous.	*Thous.*	*Thous.*	*Thous.*
52-76-048	Industrial Management School	Madrid	To assist in the initial operation of a School of Industrial Management to teach postgraduate level industrial management and business administration methods.	$148	$44	$46	$58
52-74-184	Public administration study	do	Training of Spanish civil servants and assistance in development of a permanent program for improvement of public administration.	64	48	11	5
52-78-196	Spanish economic census	Not available	Training of census technicians to improve vital statistics	19	19		

[1] Source: D-8 Report, June 30, 1959. A complete subdivision of costs (obligations) according to appropriation cannot be given for each project since the field reports include "Discontinued accounts" which consolidate all expended funds. This report is available at the mission.

[2] Funds for this project emanated from the "Atoms for Peace" appropriation.

MOROCCO

Total economic and military aid through fiscal year 1959

[In thousands of dollars]

Economic (since beginning of ICA and predecessor programs)	$44,228
Military (programed since 1950)[1]	63

[1] Does not include $287 million for airbases.

Project No.	Title	Location	Purpose and description	Accomplishments	Cost[1]	
					Cumulative June 1959	Type of funds
					Thous.	
08-61-010	Vocational industrial educational center.	Casablanca	To assist Ministry of Education in developing vocational education program in trade schools of Morocco.	School building has been constructed. School will be in operation after installation of equipment.	$847	Special assistance.
08-12-006	Irrigation development	Not available	Participant training of land classification specialists and assistance to irrigation activities of Public Works Agency.		6	Technical cooperation.
08-12-004	Land classification	Rabat	Participant training and advice to Ministry of Agriculture on land use investigations.		33	Do.
08-19-013	Farmers' tour	Not available	Participants to observe some of the techniques and methods used in the United States which may aid in agriculture problems in Morocco.		39	Do.
08-22-003	PTT training project	Rabat	Assistance to Ministry of Post, Telephone and Telegraph in establishing a training program for service and maintenance personnel.		160	Do.
08-64-021	Rural teacher training	Not available	Participant training of teachers to staff rural education teacher training centers.		132	Do.
08-72-012	Governmentwide organization and management.	do	Participant training in administrative and management fields in order to correct the lack of qualified personnel that exists within the GOM.		103	Do.
08-92-007	Training of Radio Morocco personnel.	do	Participant training of a potential nucleus of the Moroccan radio network.		46	Do.

[1] Source: D-8 Report, June 30, 1959. A complete subdivision of costs (obligations) according to appropriation cannot be given for each project since the field reports include "Discontinued Accounts" which consolidate all expended funds. This report is available at the mission.

Union Calendar No. 632

86TH CONGRESS
2D SESSION

H. R. 11510

[Report No. 1464]

IN THE HOUSE OF REPRESENTATIVES

APRIL 4, 1960

Mr. MORGAN introduced the following bill; which was referred to the Committee on Foreign Affairs

APRIL 7, 1960

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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A BILL

To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Security Act of 1960".

STATEMENT OF POLICY

SEC. 2. Section 2 of the Mutual Security Act of 1954, as amended, which is a statement of policy, is further amended by adding at the end thereof the following:

"(f) It is the sense of the Congress that inasmuch as—

"(1) the United States favors freedom of navigation

in international waterways and economic cooperation between nations; and

"(2) the purposes of this Act are negated and the peace of the world is endangered when nations which receive assistance under this Act wage economic warfare against other nations assisted under this Act, including such procedures as boycotts, blockades, and the restriction of the use of international waterways;

assistance under this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be administered to give effect to these principles, and, in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this Act or arising under the Agricultural Trade Development and Assistance Act of 1954, as amended, these principles shall be applied, as the President may determine, and he shall report on measures taken by the administration to insure their application."

CHAPTER I—MILITARY ASSISTANCE

MILITARY ASSISTANCE

SEC. 101. Section 105(b)(4) of the Mutual Security Act of 1954, as amended, which relates to conditions applicable to military assistance, is amended by striking out "1960" and inserting "1961" and striking out "1959" and inserting "1960".

CHAPTER II—ECONOMIC ASSISTANCE

DEFENSE SUPPORT

SEC. 201. Title I of chapter II of the Mutual Security Act of 1954, as amended, which relates to defense support, is amended as follows:

(a) In section 131 (b), which relates to general authority, strike out "1960" and "$751,000,000" and substitute "1961" and "$675,000,000", respectively.

(b) In section 141, which relates to conditions of eligibility for assistance, strike out "No such assistance" in the second sentence and substitute "No defense support or military equipment and materials".

(c) In section 142 (a), which relates to agreements, strike out "No assistance" in the introductory clause and substitute "No defense support or military equipment and materials".

DEVELOPMENT LOAN FUND

SEC. 202. (a) Section 202 of the Mutual Security Act of 1954, as amended, which relates to general powers of the Development Loan Fund, is amended by adding at the end thereof the following:

"(c) The Fund shall not allocate or commit funds aggregating in excess of $100,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country which is supported by suffi-

cient engineering, financial, or other data to indicate reasonably (A) the manner in which it is proposed to use such funds, (B) the economic and technical soundness of such use, and (C) the practicability of such use, or (2) the President determines it to be in the national interest to use such funds pursuant to multilateral plans."

(b) Section 205(a) of the Mutual Security Act of 1954, as amended, which relates to management, powers and authorities, is amended by striking out "Under Secretary of State for Economic Affairs" in the first sentence and substituting "Secretary of State".

TECHNICAL COOPERATION

SEC. 203. Title III of chapter II of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is amended as follows:

(a) In section 304, which relates to authorization, strike out "$179,500,000" and "1960" and substitute "$172,000,000" and "1961", respectively.

(b) Amend section 306, which relates to multilateral technical cooperation and related programs, as follows:

(1) In subsection (a), which relates to contributions to the United Nations Expanded Program of Technical

Assistance and related fund, strike out "$30,000,000" and "1960" and substitute "$33,000,000" and "1961", respectively.

(2) In subsection (b), which relates to contributions to the technical cooperation program of the Organization of American States, strike out "1960" and substitute "1961".

SPECIAL ASSISTANCE AND OTHER PROGRAMS

SEC. 204. Title IV of chapter II of the Mutual Security Act of 1954, as amended, which relates to special assistance and other programs, is amended as follows:

(a) In section 400(a), which relates to special assistance, strike out "1960" and "$247,500,000" and substitute "1961" and "$256,000,000", respectively, and add at the end thereof the following: "It is the sense of the Congress that so long as it is the policy of the United States not to sell or furnish armaments to any one nation in the Near East, no part of the funds appropriated pursuant to this section should be used for the purchase of armaments by any other nation in the Near East."

(b) In section 401, which relates to the United Nations Emergency Force, strike out "1960" in the second sentence and substitute "1961".

(c) In section 402, which relates to earmarking of funds, strike out "1960" in the first sentence and substitute "1961".

(d) In section 403, which relates to responsibilities in Germany, strike out "1960" and "$7,500,000" in the first sentence and substitute "1961" and "$6,750,000", respectively.

(e) Insert after section 403 the following new section 404:

"SEC. 404. INDUS BASIN DEVELOPMENT.—The Congress of the United States welcomes the progress made through the good offices of the International Bank for Reconstruction and Development toward the development of the Indus Basin through a program of cooperation among South Asian and other nations of the free world in order to promote economic growth and political stability in South Asia, and affirms the willingness of the United States, pursuant to authorities contained in this and other Acts, to participate in this significant undertaking. In the event that funds appropriated pursuant to this Act are made available to be used by or under the supervision of the International Bank for Reconstruction and Development in furtherance of the foregoing purposes, such funds may be used in accordance with requirements, standards, or procedures established by the Bank concerning completion of plans and cost esti-

mates and determination of feasibility, rather than with requirements, standards, or procedures concerning such matters set forth in this or other Acts; and such funds may also be used without regard to the provisions of section 901 (b) of the Merchant Marine Act of 1936, as amended (46 U.S.C. 1241), whenever the President determines that such provisions cannot be fully satisfied without seriously impeding or preventing accomplishment of such purposes.".

(f) Amend section 405, which relates to migrants, refugees, and escapees, as follows:

(1) In subsection (c), which relates to contributions to the program of the United Nations High Commissioner for Refugees, strike out "1960" and "$1,100,000" and substitute "1961" and "$1,500,000", respectively.

(2) In subsection (d), which relates to the continuation of activities undertaken for selected escapees, strike out "1960" and "$5,200,000" and substitute "1961" and "$3,500,000", respectively.

(g) In section 406, which relates to children's welfare, strike out "1960" and substitute "1961".

(h) In section 407, which relates to Palestine refugees in the Near East, strike out "1960" and "$25,000,000" in the first sentence and substitute "1961" and "$18,500,000", respectively; and strike out the proviso in the first sentence.

(i) In section 409 (c), which relates to ocean freight

charges, strike out "1960" and "$2,300,000" and substitute "1961" and "$2,000,000", respectively.

(j) Amend section 411, which relates to administrative and other expenses, as follows:

(1) In subsection (b), which relates to certain expenses of administering nonmilitary assistance, strike out "1960" and "$39,500,000" and substitute "1961" and "$40,000,000", respectively.

(2) In subsection (c), which relates to administrative and other expenses of the Department of State, strike out "to" after "appropriated" and substitute "for expenses of".

(k) Section 412, which relates to the President's special education and training fund, is repealed.

(l) In section 419(a), which relates to atoms for peace, strike out "1960" and "$6,500,000" and substitute "1961" and "$3,400,000", respectively.

(m) Add the following new section after section 420:

"SEC. 421. LOANS TO SMALL FARMERS.—It is the policy of the United States and the purpose of this section to strengthen the economies of underdeveloped nations, and in nations where the economy is essentially rural or based on small villages, to provide assistance designed to improve agricultural methods and techniques, to stimulate and encourage the development of local programs of self-help and mutual cooperation, particularly through loans of foreign

currencies to associations of operators of small farms, formed for the purpose of joint action designed to increase or diversify agricultural productivity. The maximum unpaid balance of loans made to any association under this section may not exceed $25,000 at any one time; and the aggregate unpaid balance of all loans made under this section may not exceed $10,000,000 at any one time."

Chapter III—Contingency Fund

Sec. 301. Section 451 (b) of the Mutual Security Act of 1954, as amended, which relates to the President's special authority and contingency fund, is amended by striking out "1960" and "$155,000,000" in the first sentence and substituting "1961" and "$100,000,000", respectively.

Chapter IV—General and Administrative Provisions

Sec. 401. Chapter IV of the Mutual Security Act of 1954, as amended, which relates to general and administrative provisions, is amended as follows:

(a) Section 504 (d), which relates to small machine tools and other industrial equipment, is repealed.

(b) In section 505 (a), which relates to loan assistance and sales, insert after the first sentence the following new sentence: "Commodities, equipment, and materials transferred to the United States as repayment may be used for

assistance authorized by this Act, other than title II of chapter II, in accordance with the provisions of this Act applicable to the furnishing of such assistance.".

(c) In section 513, which relates to notice to legislative committees, insert before ", and copies" in the last sentence the following: "and under the last clause of the second sentence of section 404".

(d) Amend section 517, which relates to completion of plans and cost estimates, as follows:

(1) Insert "(a)" immediately after "SEC. 517. COMPLETION OF PLANS AND COST ESTIMATES.—".

(2) Add the following at the end of such section:

"(b) All nonmiltary flood control, reclamation and other water and related land resource programs or projects proposed for construction under titles I, II, or III (except section 306) of chapter II, under section 400, or under section 451 of this Act, shall be examined by qualified engineers, financed under this Act, in accordance with the general procedures prescribed in circular A–47 of the Bureau of the Budget, dated December 31, 1952, for flood control, reclamation and other water and related land resource programs and projects proposed for construction within the continental limits of the United States of America. In all cases the benefits and costs shall be determined, and a copy of the determination shall be submitted to the Speaker of the House

of Representatives and the Foreign Relations Committee and the Appropriations Committee of the Senate. No such program or project shall be undertaken on which the benefits do not exceed the costs and which does not otherwise meet the standards and criteria used in determining the feasibility of flood control, reclamation, and other water and related land resource programs and projects proposed for construction within the continental limits of the United States of America as per circular A–47 of the Bureau of the Budget, dated December 31, 1952."

(e) Amend section 527, which relates to employment of personnel, as follows:

(1) In subsection (b), which relates to employment of personnel in the United States, strike out "seventy" and "forty-five" in the first sentence and substitute "seventy-four" and "forty-nine", respectively.

(2) In subsection (c), which relates to employment of personnel outside the United States, strike out "Director" in the introductory clause and substitute "President"; and insert before the period at the end of paragraph (2) the following new proviso: ": *Provided further,* That Foreign Service Reserve Officers appointed or assigned pursuant to this paragraph shall receive in-class promotions in accordance with such regulations as the President may prescribe".

(3) In subsection (d), which relates to appointment of alien employees outside the United States, strike out ", at the request of the Director,".

(f) Section 531, which relates to security clearance, is amended to read as follows:

"SEC. 531. SECURITY CLEARANCE.—The standards and procedures set forth in Executive Order Numbered 10450, as amended or supplemented, shall apply to the employment under this Act by any agency administering nonmilitary assistance of any citizen or resident of the United States."

(g) In subsection (c) of section 533A, relating to the Inspector General and Comptroller, strike out paragraph (9) and renumber paragraphs (10) and (11) as paragraphs (9) and (10), respectively.

(h) In section 534(a), which relates to reports, strike out "six months" in the first sentence and substitute "fiscal year".

(i) In section 537(a), which relates to provisions on uses of funds, amend paragraph (3) to read as follows: "(3) contracting with individuals for personal services abroad: *Provided,* That such individuals shall not be regarded as employees of the United States for the purpose of any law administered by the Civil Service Commission;".

(j) In section 537(c), which relates to construction or

acquisition of facilities abroad, strike out "$2,750,000" and substitute "$4,250,000".

(k) Add the following new section immediately after section 551:

"SEC. 552. ASSISTANCE TO CUBA.—No assistance shall be furnished under this Act to Cuba after the date of enactment of the Mutual Security Act of 1960 unless the President determines that such assistance is in the national and hemispheric interest of the United States."

CHAPTER V—TECHNICAL AMENDMENTS REFLECTING NEW LIMITS OF UNITED STATES

SEC. 501. The Mutual Security Act of 1954, as amended, is amended as follows:

(a) In section 205(c), strike out "continental" in the twelfth clause of the first sentence.

(b) In section 411(d), strike out "the continental limits of".

(c) In section 527(c), strike out "the continental limits of" in the introductory clause.

(d) In section 527(d), strike out "the continental limits of".

(e) In section 530(a), strike out "the continental limits of".

(f) In section 537(a), strike out "continental" in the

last proviso of paragraph (5) and in paragraphs (13) and (17); and strike out "the continental limits of" in paragraph (10).

Chapter VI—Amendments to Other Laws

Sec. 601. Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1721 and the following), which relates to famine relief and other assistance, is amended as follows:

(a) In section 202, strike out "The" at the beginning thereof and substitute the following: "In order to facilitate the utilization of surplus agricultural commodities in meeting the requirements of needy peoples, and in order to promote economic development in underdeveloped areas in addition to that which can be accomplished under title I of this Act, the".

(b) In section 203, insert before the period at the end of the third sentence the following: ", and charges for general average contributions arising out of the ocean transport of commodities transferred pursuant hereto may be paid from such funds".

Sec. 602. Section 501(b) of the Mutual Security Act of 1959 (73 Stat. 256), which relates to international cooperation in health, is repealed.

Union Calendar No. 632

86TH CONGRESS
2D SESSION

H. R. 11510

[Report No. 1464]

A BILL

To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

By Mr. MORGAN

APRIL 4, 1960

Referred to the Committee on Foreign Affairs

APRIL 7, 1960

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

H. R. 11510

April 11, 1960

function the presence of any pesticide chemical that had been applied after harvest (H. Rept. 1468). p. 7361

17. WOOL. Passed as reported H. R. 9322, to make permanent the existing suspension of duties on certain coarse wool and to authorize the Secretary to revise the official standards of the U. S. for the grading of wool. pp. 7358-9

18. ATOMIC ENERGY. The Joint Committee on Atomic Energy voted to report (but did not actually report) to the Senate and House, respectively, clean bills in lieu of S. 3084 and H. R. 10656, the Atomic Energy Commission authorization bills for 1961. p. D296

19. PERSONNEL. Concurred in the Senate amendment to H. R. 3472, to repeal Section 1505 of the Social Security Act so that in determining eligibility of Federal employees for unemployment compensation their accrued annual leave shall be treated in accordance with State laws (pp. 7352-3). This bill will now be sent to the President.

20. ST. LAWRENCE SEAWAY. Both Houses received from the President a report on the activities of the St. Lawrence Seaway Development Corporation for the year ending Dec. 31, 1959. pp. 7295-7354

21. INVESTIGATIONS. Rep. Hoffman criticized a subcommittee of the Government Operations Committee for "using money for political purposes" and "making trouble for the departments." p. 7356

22. INTEREST RATE. Rep. Patman called the failure of a recent 4½% 25-year bond issue to sell "a success" and claimed the Treasury Department made it fail in an attempt to get Congress to repeal the present 4½% restriction. pp. 7359-60

ITEMS IN APPENDIX

23. TAXATION. Extension of remarks of Sen. Wiley inserting his recent radio address stressing the need for a "Hoover-type commission" for an overhauling of the tax system. pp. A3141-2

24. ELECTRIFICATION. Extension of remarks of Sen. Bartlett inserting an address describing the vast undertaking in the development of the Rampart hydroelectric project on the Yukon River. pp. A3142-3

25. INTEREST RATES. Extension of remarks of Sen. Keating inserting an editorial in support of the President's position in calling for the removal of the interest rate ceiling on long-term Treasury bonds. p. A3144

Extension of remarks of Rep. Byrnes urging immediate legislative action to repeal the "archaic 4¼-percent interest rate ceiling." pp. A3156-7

26. FORESTRY. Extension of remarks of Sen. Engle urging the conference committee to provide adequate funds for forest fire prevention and inserting an article, "Cut the Fire Toll In U. S. Forests." p. A3151

Extension of remarks of Rep. Whitener discussing a forestry demonstration program held in Shelby, N. C., and inserting an address by Undersecretary Morse, "Forests and Rural Development." pp. A3173-4

27. LIBRARY SERVICES. Extension of remarks of Rep. Schwengel inserting statements by the President and Vice-President in connection with the observance of National Library Week. pp. A3151-2

28. UNEMPLOYMENT. Extension of remarks of Rep. Flood inserting tables which show the employment and unemployment in surplus labor markets for the New England and Northeastern States. pp. A3154-5

29. FARM PROGRAM. Rep. Dorn inserted a resolution adopted by the Independent Farmers of Ohio urging repeal of the Agricultural Adjustment Act as amended and "that simultaneously the accounts of the CCC be frozen pending the orderly liquidation of the corporation." p. A3162

30. DAIRY INDUSTRY. Extension of remarks of Rep. Steed inserting Rep. Roosevelt's speech before the annual convention of the National Independent Dairy Association in which he discussed small business problems in the dairy industry and his proposed bill designed to prevent the integration of food distribution through the operations of large chain retail food organizations. pp. A3163-4

31. FARM LABOR. Extension of remarks of Rep. Pelly expressing his belief "that there is an opportunity to improve the lot of the American migratory farmworker," and inserting an address by Secretary of Labor Mitchell on this subject. pp. A3175-6

32. GRAIN STORAGE. Extension of remarks of Rep. Burdick inserting a resolution adopted by "interested parties" at a factfinding meeting recommending "a 1-year moratorium on the announced arbitrary rates and on any proposed change in the present uniform storage agreement." pp. A3184-5

BILLS INTRODUCED

33. SUGAR. H. R. 11687, by Rep. Rogers, Tex., to eliminate acreage allotments for sugar beets; to Agriculture Committee.

H. R. 11688, by Rep. Rogers, Tex., to amend the Sugar Act of 1948 to increase sugar quotas for domestic producers; to Agriculture Committee.

H. R. 11689, by Rep. Rogers, Tex., to amend the Sugar Act of 1948 to provide that future increases in sugar quotas will be allocated to domestic beet sugar producers in a manner which will assure new growers a fair share of such increases; to Agriculture Committee.

34. REGULATORY AGENCIES. S. 3359, by Sen. Proxmire, to amend the Administrative Procedure Act to provide for the public disclosure of certain congressional communications relating to proceedings conducted by administrative agencies; to Judiciary Committee. Remarks of author. p. 7299

HOUSE cont'd

35. FOREIGN AID. As reported by the Foreign Affairs Committee (see Digest 64), H. R. 11510, to extend the mutual security program, includes the following provisions: Requires that at least $175,000,000 (same amount as in last year's act) of mutual security funds be used to finance the sale for foreign currencies of surplus agricultural commodities. Authorizes $2,000,000 (last year's appropriation was $2,300,000) for ocean freight to move supplies donated to and by American voluntary agencies. Amends Public Law 480 to enable the U. S. to undertake longer term programs (including work projects and education), in countries with low food consumption and high underemployment, which will be paid for in part by surplus agricultural commodities. Directs the President to administer assistance under this act so as to eliminate international boycotts, blockades, and the restriction of the use of international waterways. Authorizes use of local currencies for loans to small farmers,

not to exceed an unpaid amount equivalent to $10 million at any one time. Authorizes $206,500,000 for technical cooperation programs.

The Committee also suggested the possibility, following further study, of estabishing a Point Four Youth Corps "of young Americans trained in agriculture, home economics, and other practical fields of activity" to be sent to these countries as a form of technical assistance.

BILLS APPROVED BY THE PRESIDENT

36. WHEAT ACREAGE HISTORY. H. R. 4874, to amend section 334 of the Agricultural Adjustment Act of 1938, as amended, to provide that for the purpose of establishing future acreage allotments for States, counties, and farms, the past acreage of wheat for any farm on which the farm marketing excess is adjusted to zero because of underproduction shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty. Approved April 9, 1960 (Public Law 86-419).

37. ACREAGE ALLOTMENTS. H. R. 8343, to provide a uniform law for the transfer of acreage allotments to new farms when a farm is taken by a public agency having the power of eminent domain. Under this bill, if the owner of the land acquired by the public agency is permitted by that agency to continue to occupy and operate it under lease for some period of time, he will be permitted to continue to grow crops subject to allotment at the time title was acquired by the public agency. Approved April 9, 1960 (Public Law 86-423).

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COMMITTEE HEARINGS ANNOUNCEMENTS:

April 12: Promotion of foreign trade in grapes and plums, S. Interstate (Hedlund, AMS, to testify).
Special milk bill, conferees (exec).
Farm labor bill, revision of FHA laws, watershed projects, conveyance of forest tract in Fla., H. Agriculture (exec).
Amendment of compact between U. S. and Puerto Rico, H. Interior (exec).
Suspension of import duty on casein, S. Finance (exec).
Mutual security authorization bill, H. Rules.
Federal pay raise bills, H. Civil Service.

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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For Department Staff Only)

Issued April 13, 1960
For actions of April 12, 1960
86th-2d, No. 67

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HIGHLIGHTS: Conferees agreed to file report on special milk bill. House debated State-Justice appropriation bill. House Rules Committee cleared mutual security authorization bill.

HOUSE

1. APPROPRIATIONS. Debated H. R. 11666, the State-Justice appropriation bill for 1961. Deferred final proceedings on the bill until today. pp. 7372-94

As reported by the House Appropriations Committee (see Digest 66) this bill contains the following items: Appropriates $48,700,754 for contributions to international organizations, which includes $2,999,210 for the Food and Agriculture Organization, and funds for the Inter-American Institute of Agricultural Sciences, the International Wheat Council, and the International Sugar Council.

Regarding the use of foreign currencies, some of which are generated under Public Law 480, the Committee report states:

"Of the total recommended in the bill, the Committee has required that no less than $53,095,000 or approximately 8% of the total 1961 fiscal year appropriation, be used to purchase foreign currencies or credits owed to or owned by the Treasury of the U. S. The various Government departments and agencies concerned are directed, wherever possible, to purchase these foreign credits from the U. S. Treasury and use them abroad in lieu of dollars. This has not been done to the maximum extent possible in the past. The Committee intends to closely examine what each department and agency does in the coming fiscal year in this regard ... The Committee has included in Title VI of the bill a new section which provides that no part of any appropriation contained in this Act shall be used to administer any program which is funded in whole

or in part from foreign currencies or credits for which a specific dollar appropriation therefor has not been made."

Regarding international organizations the Committee report states:

"The Committee cannot over-emphasize its concern again over the continual increase in our contributions to international organizations. Every effort should be made by the Department to see that our representatives to these various international organizations do everything possible to hold our annual contributions to a minimum."

2. WATERSHEDS. Received notification from the Public Works Committee of their approval of certain watershed projects in Ala., Ga., Ark., and Ky. pp. 7371-2

3. MUTUAL SECURITY. The Rules Committee granted an open rule for consideration of H. R. 11510, the mutual security authorization bill. pp. 7394, 7403

4. POSTAL SERVICE. The Post Office and Civil Service Committee reported without amendment H. R. 10996, to authorize the use of certified mail for the transmission or service of matter required by certain Federal laws to be transmitted or served by registered mail (H. Rept. 1492). p. 7403

5. INTEREST RATES. Rep. Patman criticized the Treasury Department for "thirty-three percent" increase in "the price of short term money" and stated "this, and the events of last week cry for a Congressional investigation." p. 7400

6. PERSONNEL. Received from the Chairman, U. S. Civil Service Commission, a draft of proposed legislation "to amend the Federal Employees' Group Life Insurance Act;" to Post Office and Civil Service Committee. p. 7402

7. USER CHARGES. Received from the Secretary of Agriculture a draft of proposed legislation to authorize user charges for certain inspection services performed by the Department; to Agriculture Committee. p. 7402

SENATE

8. SPECIAL MILK. The "Daily Digest" states that the conferees on H. R. 9331, the special milk bill, agreed "to file conference report authorizing $95 million in CCC funds for special school milk program in 1961 fiscal year ($85 million having been authorized for the 1960 fiscal year), and directing that CCC be reimbursed for cost of 1961 program by separate appropriations." p. D303

9. CASEIN; TAMPICO FIBERS. The "Daily Digest" states that the Finance Committee approved the following bills: p. D300

H. R. 9862, to continue for 2 years the existing suspension of duties on certain lathes used for shoe-last roughing or for shoe-last finishing "(with an amendment extending suspension of import duty on casein to June 30, 1963)."

H. R. 9861, without amendment, to continue until Sept. 5, 1963, the existing suspension of duty on certain istle and tampico fibers.

ITEMS IN APPENDIX

10. DAIRY INDUSTRY. Rep. McCormack discussed the hearing held by the House Small Business Committee's Special Subcommittee on Small Business Problems in the Dairy Industry, stated that the hearings "produced evidence of chaotic and deplorable conditions in the dairy industry," and inserted a statement by an investigator of the subcommittee discussing dairy industry problems. pp. A3195-9

86TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 1494

CONSIDERATION OF H.R. 11510

APRIL 12, 1960.—Referred to the House Calendar and ordered to be printed

MR. TRIMBLE, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 502]

The Committee on Rules, having had under consideration House Resolution 502, report the same to the House with the recommendation that the resolution do pass.

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House Calendar No. 205

86TH CONGRESS
2D SESSION

H. RES. 502

[Report No. 1494]

IN THE HOUSE OF REPRESENTATIVES

APRIL 12, 1960

Mr. TRIMBLE, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

---

RESOLUTION

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11510) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the

bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

House Calendar No. 205

86TH CONGRESS
2D SESSION

H. RES. 502

[Report No. 1494]

RESOLUTION

Providing for the consideration of H.R. 11510, a bill to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

By Mr. TRIMBLE

APRIL 12, 1960

Referred to the House Calendar and ordered to be printed

"District judges may appoint necessary law clerks and secretaries."

This recommendation was intended to make the statutory authorization for law clerks and secretaries to district judges identical with that allowed to circuit judges by 28 U.S.C. 712, and to eliminate the existing requirement for a certificate of necessity by the chief judge of the circuit. Moreover, each district judge who wished to do so would then have been able to employ additional employees at lower grades within his salary allotment, instead of one law clerk and one secretary at the maximum grades (GS–12 and GS–10, respectively). This would, of course, have made a number of alternative staff arrangements available to each district judge.

The recommendation of the Judicial Conference was transmitted to the Speaker of the House of Representatives on January 18, 1957, and introduced by Congressman EMANUEL CELLER, chairman of the Committee on the Judiciary, as H.R. 3816. The pertinent language of the bill embodied the precise proposal of the Judicial Conference, as follows:

"District judges may appoint necessary law clerks and secretaries."

Hearings were held on the bill on February 3, 1958. Chief Judge John Biggs, Jr., of the Court of Appeals for the Third Judicial Circuit, and I attended the hearings, and Judge Biggs, who testified in favor of the bill, was explicit in the matter of additional expense. The following excerpt is from his testimony:

"The proposed change would leave it to the individual district judge, just as it is now left to the individual circuit judge, to select the number of his employees within the qualifications—the job qualifications—set up by the Administrative Office under the direction of the Judicial Conference of the United States.

* * * * *

"Now the limitations on the amounts which can be spent by a judge for his personal employees are set up year by year in the Judiciary Appropriation Act. For example, presently in Public Law 85–940, approved June 11, 1957, it is provided that each judge other than a chief judge of a court of five or more judges, or a chief judge of a circuit, shall have for his personal employees not to exceed $13,485 a year; and that a chief judge of a district court having five or more judges or a chief judge of a circuit shall have for his personal employees an aggregate salary allowance not to exceed $18,010 a year.

"The change embodied in H.R. 3816 would give the judge much greater flexibility in appointing these individual employees than he presently has so far as district judges are concerned.

* * * * *

"There is no reason to think that a district judge would want a law clerk unless he really needed one, and this is demonstrated I think by the fact that only about 75 percent of them now have law clerks. I think those judges, the remaining 25 percent, would not get law clerks; but if an assistant secretary was needed and the judge could bring that within his appropriation of $13,485, if he were a district judge, or within his $18,010 if he were a chief judge of a district. A district judge could mold, so to speak, his personal employees into his appropriation limit, if the proposed amendment were effected. He would be able to employ an assistant secretary or an assistant law clerk or a law-clerk secretary.

"Set out on this memorandum which has been prepared by Mr. Ellis, the Assistant Director of the Administrative Office, are some of the combinations of employees which would be possible, and I doubt very much if it would result in any at all substantial increase in the expenditures. It certainly would not result in any substantial increase in the budget, because the aggregate limits are now in the Judiciary Appropriation Act. This, as I have said, is merely to put district judges on the same basis as circuit judges. I would be glad to answer any questions."

On March 12, 1958, the bill H.R. 3816 was favorably reported to the House with a committee amendment, which read:

"District judges may appoint necessary law clerks and secretaries subject to any limitation on the aggregate salaries of such employees which may be imposed by law."

As stated in the committee report (Rept. No. 1498, 85th Cong.): "The purpose of the committee amendment is merely to emphasize the need to remain within that limitation," i.e., the ceiling on aggregate salaries available to a judge under the annual appropriation act. The bill, as amended, passed the House of Representatives on April 21, 1958, but there was no action in the Senate.

The House Judiciary Committee considered the legislation (H.R. 2979) again during the 1st session of the 86th Congress, and again reported it favorably to the House (Rept. No. 344, 86th Cong.) with the following admonition:

"This bill would make it possible for district judges to appoint such law clerks and secretaries as he requires without obtaining approval of the chief judge, provided, of course, that the aggregate salaries of his staff remain within the limitations imposed by law. The authority which this bill gives district judges is the same as that now given to circuit judges.

"The committee believes that enactment of this legislation will result in eliminating an unnecessary administrative requirement and will improve the operation of the Federal courts at no additional expense."

This is the very first time in the legislative history that the term "at no additional expense" was used, and it obviously was used by the committee, when taken in context with the preceding sentence, to acquaint the House of Representatives with the fact that no additional expense would be entailed beyond the limitations on the aggregate salaries imposed by law.

The report of the committee also contains the letter from the Director of the Administrative Office, including the following representations:

"The amendment would change the section to read that 'District judges may appoint necessary law clerks and secretaries subject to any limitation on the aggregate salaries of such employees which may be imposed by law.' This would make the section conform with the provision of section 712 of title 28 authorizing circuit judges to 'appoint necessary law clerks and secretaries.' The proposed change in section 752 would eliminate the requirement of a certificate of necessity by the chief judge of the circuit for the appointment of a law clerk by a district judge. It would also make it possible, within existing approved limits on the aggregate salaries paid to the secretaries and law clerks of one judge, for district judges to appoint more than one secretary or law clerk if needed.

* * * * *

"A sufficient safeguard against the employment of unnecessary supporting personnel is the limit upon the aggregate salaries of secretaries and law clerks for any one judge fixed in a resolution adopted by the Judicial Conference of the United States at the above-mentioned meeting. The limit prescribed is $14,835 per annum for a single judge, except in the case of the chief judge of a circuit, and the chief judge of each district court having five or more district judges, in which case the aggregate salaries shall not exceed $19,815 per annum (exclusive of step increases conforming with title VII of the Classification Act of 1949 and of compensation paid for temporary assistance).

* * * * *

"It would thus make for better and more expeditious administration of justice in the Federal courts and improve the service to the public with, it is important to emphasize, no additional expense to the Government."

When considered in its full context, this language of the Director makes it abundantly clear that the district judges would have full flexibility within the limitation on the aggregate salaries and that, beyond the already existing limitation of law, Congress would not be asked to authorize any additional expense whatsoever to the Government.

The bill H.R. 2979 passed the House of Representatives on May 18, 1959.

In the Senate, the bill was considered by the Committee on the Judiciary and favorably reported (Rept. No. 788, 86th Cong.), with this language:

"The purpose of the proposed legislation is to permit district judges to appoint necessary law clerks and secretaries subject to any limitations on the aggregate salaries of such employees which may be imposed by law.

* * * * *

"It would also make possible, within existing approved limits on the aggregate salaries paid to the secretaries and law clerks of one judge, for a district judge to appoint more than one secretary or law clerk if needed.

* * * * *

"In relation to the aggregate amount of salaries to be paid, there exists a resolution adopted by the Judicial Conference of the United States in which the limit prescribed is fixed at $14,835 per annum for a single judge, except in the case of the chief judge of a circuit, and the chief judge of each district court having five or more district judges, in which case the aggregate salaries shall not exceed $19,815 per annum. This, of course, is exclusive of step increases conforming with title VII of the Classification Act of 1949 and of compensation paid for temporary assistance. The proposed legislation, therefore, will allow the judges to make such appointments as they deem necessary, so long as they remain within the total amounts fixed by the Judicial Conference of the United States, as hereinbefore set forth.

"The report of the Administrative Office of United States Courts states that the pressure of business on the district courts is now very great and the courts are, on the whole, putting forth their best efforts to handle their cases as promptly as possible and reduce delays. The greater latitude which the proposed legislation will give to the district judges in the employment of law clerks and secretaries seems to the committee to be of material aid to them in their endeavors. The committee, therefore, recommends that the bill, H.R. 2979, be considered favorably."

Included in the Senate report was the full text of the letter from the Director of the Administrative Office, setting forth the identical details with respect to the limitations as contained in the House report.

The bill passed the Senate and was sent to the President. Before his signature was requested by the Bureau of the Budget, the Administrative Office was asked for its views on the bill and amendment, and responded as follows:

"The amendment would allow a district judge to appoint more than one secretary or law clerk, if needed. The exercise of this power to appoint by the district judge is limited, in that the aggregate salaries, authorized by statute, payable to law clerks and secretaries may not be exceeded. This provision thereby removes the possibility of the employment of unnecessary personnel."

In view of the foregoing legislative history, there can be no doubt but that the Congress

passed H.R. 2979 fully aware of all the facts and circumstances concerning the probable expense and specific limitations. Even further, the Congress had full knowledge of the number of existing district judgeships, and the amount of the limitation on each, and therefore had before it the precise formula for determining the very maximum expense which could possibly be incurred as a consequence of the legislation.

I very much regret that in my letters to the Speaker of the House and the President of the Senate I included the sentence, "It would thus make for better and more expeditious administration of justice in the Federal courts and improve the service to the public with, it is important to emphasize, no additional expense to the Government," and for this I did not hesitate to apologize at the hearing.

I regret the use of this language because when taken out of context, as you have done, it appears inconsistent with our appropriation request.

The above described record, however, shows that when my letters are considered in their entirety that the actual situation was correctly and fully explained in both letters.

For the Committee on Appropriations to deny sufficient funds within the limitation to achieve the objectives of Public Law 86–221 because of this sentence would appear to me to be quite unfair both to the author of the letter and even more so to the hard working district judges of the country who in fact need this assistance in the proper performance of their official functions.

Sincerely yours,

WARREN OLNEY III,
Director.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the pending amendment. I am not going to delay the decision on this matter any longer. I reiterate that the subcommittee consulted everybody concerned. I have learned that one of the judicial witnesses who appeared before the subcomittee of the distinguished gentleman from Georgia [Mr. FORRESTER] in behalf of the legislation with Mr. Olney agreed that not a dime should be allowed under method of procedure used. If you are going to stand for anybody coming up here to Capitol Hill and saying, "If you pass this bill it will merely straighten out some redtape; it will not cost the taxpayers a nickel," and then go to the other body, say the same thing and have the bill signed by the President, then come a couple of months later to the Congress with a request for over $900,000 additional as the consequence of that so-called legislation—if you are going to stand for this sort of thing we do not need any subcommittee on appropriations, and it is useless for us to hold hearings.

Mr. FORRESTER. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the distinguished gentleman from Georgia.

Mr. FORRESTER. I would like to ask the distinguished gentleman from New York if it is not true that the gentleman went into that very matter and he found that there was incorporated in the record a statement to the effect it was not going to cost the taxpayers anything? And then when there was this request he came to me and asked me to discuss the matter with him?

Mr. ROONEY. That is the fact.

Mr. FORRESTER. Is it not true that as the chairman of this subcommittee I brought the ranking minority member of the subcommittee, the gentleman from Virginia [Mr. POFF], and we both said to you that the testimony positively and unequivocally was that this would not cost 1 cent? That was the testimony of Mr. Olney himself and also Judge Biggs.

Mr. ROONEY. I am given to understand that Judge Biggs really thought it was not going to cost the taxpayers a nickel. That is my information. He did not tell me directly, but he did advise a member of the Judiciary Committee, and I believe he meant it.

Mr. FORRESTER. There is no question of doubt that Judge Biggs believed that. Every member of the subcommittee was told that, and we understood that, and we came out with a favorable recommendation because of that. Under no circumstance would we have done so had we known it was going to cost more money.

Mr. ROONEY. The gentleman is entirely correct.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. Briefly.

Mr. GROSS. And the Subcommittee on Appropriations is simply keeping faith with the House. To take any other position would be unconscionable.

Mr. ROONEY. It certainly would be unconscionable. Finally, the subcommittee has cleared this with everybody concerned in the House of Representatives on both sides of the aisle. We have discussed this with members of the judiciary, everybody concerned, and everybody with the exception of the Director of the Administrative Office of the United States Courts and the distinguished gentleman from New York [Mr. LINDSAY], agree that the funds should be denied.

Mr. Chairman, I ask that the pending amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LINDSAY].

The amendment was rejected.

The Clerk concluded the reading of the bill.

Mr. ROONEY. I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. THORNBERRY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11666) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1961, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. ROONEY. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the Speaker announced that the ayes had it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground a quorum is not present and make the point of order that a quorum is not present.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that further proceedings on the pending bill go over until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

GENERAL PERMISSION TO EXTEND REMARKS

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill, H.R. 11666.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

APPOINTMENT OF MEMBERS OF THE U.S. DELEGATION TO THE CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of section 1, Public Law 86–42, in addition to the gentlewoman from New York Mrs. KELLY, chairman; the gentleman from Maine; Mr. COFFIN; the gentleman from Minnesota, Mr. JUDD; and the gentleman from New Hampshire, Mr. MERROW; who were appointed to serve for the 86th Congress, the Chair appoints as members of the U.S. Delegation of the Canada-United States Interparliamentary group for the meeting to be held in the United States during April 1960, the following Members on the part of the House: Mr. POAGE, Texas; Mr. ASPINALL, Colorado; Mr. YATES, Illinois; Mr. IKARD, Texas; Mrs. SULLIVAN, Missouri; Mr. DULSKI, New York; Mr. FORD, Michigan; Mr. BUDGE, Idaho.

AMENDMENT TO ~~SOCIAL~~ MUTUAL SECURITY ACT OF 1954

Mr. TRIMBLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 502, Rept. No. 1494) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11510) to amend further the Mutual Security Act of 1954, as amended, and for other pur-

poses, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CORRECTION OF ROLLCALL

Mr. CRAMER. Mr. Speaker, rollcall No. 39 shows me as being absent. I was present and answered to my name, and I ask unanimous consent that the RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

A LONG LOOK TO THE FUTURE

(Mr. McINTIRE (at the request of Mr. CUNNINGHAM) was given permission to extend his remarks at this point in the REOCRD and to include extraneous matter.)

Mr. McINTIRE. Mr. Speaker, May Craig, one of America's distinguished newspaper correspondents, recently toured Africa. While out of the country—February 18 to March 24—she continued her column, "Inside Washington," which is published in the Guy Gannett papers of Portland, Maine. I regularly read her daily reports, deriving great satisfaction from her interesting observations and keen introspections. Although I feel that each of May's columns had a high interest quotient, I was particularly intrigued by the graphic summary of the trip which she prepared upon her return to America.

Feeling that this summary is deserving of the attention of my colleagues, I am inserting into the RECORD, May Craig's April 3 column entitled "A Long Look to the Future," as follows:

A LONG LOOK TO THE FUTURE

(By May Craig)

WASHINGTON.—The heart turns homeward from the foreign land before the body leaves it for the beloved homeland. So it was with me in Algeria, the last stop at the end of the circle trip around Africa, which began with Morocco, next neighbor to Algeria on the west.

There is a gladness that is almost keen as anguish, when one glimpses the homeland. Patriotism is not bad, one might remember in the fashionable internationalism of today. The modern promotion of internationalism at the expenses of family and own land may not be in the best interest of individual liberty and development. The Red Chinese are trying to destroy family and religion in working their will to subordinate everything to the state control, even the age-old devotion of ownership of a piece of land. The farmer, owning his own land, has always been a foundation stone of the United States and the development of the corporation instead of small business, the factory farm instead of the individual farm, the centralization of power in the Federal Government at the expense of States and communities and private enterprise may be the end of individual choices and development. The end is in a conformity that does not foster free thought, free religion and free education. The individual is not free to think, to choose his government, his education, his God, to follow his individual conscience.

Internationalism would further this dilution of individual development nationally. Africa, determined to get freedom from outside colonialism, talks of pan-Africanism, of federating the whole continent. No whole continent has ever been federated. Even in North America there are three countries, Canada, United States, Mexico, all individual, all independent, all friendly, with not even a border fort. This is a pattern that might well be followed by all homogeneous groups of people, countries, if they choose freely and carefully.

All over Africa I found different political and social and religious setups. South Africa is determined to live alone; the middle and western groupings who do not want to join the blacks or the Middle East-Egyptian Arabs-Moslems. The blacks are determined not to be dominated by north African Arabs. Yet the newly free, or almost free colonial blacks talked of pan-Africanism—though most will privately admit, and some publicly (as Ethiopia) that they want to be independent of all, but friendly to all.

There is danger of replacing the European colonialism by black colonialism, Red Chinese colonialism, Communist imperialism from Russia. There is already civil and tribal war in the free or nearly free black countries. Most of them are unprepared for freedom and would do well in their new freedoms to keep their former white masters on as hired help to show them how to run their countries. Tripoli did that; Burma did not and now regrets it. Those who do not step carefully, may fall into chaos and find themselves under dictatorship, red or black.

One thing is for sure. The whites are doomed as such all over the world. Not today or tomorrow, but eventually. We are the minority. The rising tide of color—yellow, brown, black—will submerge us, dilute the whiteness. In the United States, the blacks will be swallowed up in the whites, in thin dilution, their African personality will be lost. When the founders of this republic said all men are born equal, and the Supreme Court of the United States said that racial segregation is inherently unconstitutional, they doomed the African Americans to be absorbed into the white population.

Segregation in the South is doomed. But the white race everywhere will be absorbed into the colored. There will be a battle between the yellows and blacks and they and the browns will all become browns with perhaps slant eyes and less curly hair than present blacks. The present browns are too lazy or too diluted to win in this battle. Nobody knows the fate of religions as we know them now. The Union of South Africa, fighting for pure white, is doomed; their apartheid cannot win despite the killing.

In the far north there are a few Eskimos left, they are dying a natural death, unable to adjust to civilization. There are oases of pure whites in Scandinavia, where blacks cannot live because they need more sun. The browns who may be the ultimate unified color can live there with modern discoveries of artificial sunlight, vitamins, air conditioning. The Russians, afraid of the Red Chinese, may in the not-too-distant- future, join the West in the battle against the yellow, though themselves diluted already by the Mongol and Manchurian. It is useless, though it may delay the day of complete amalgamation of all races into one in conformity.

One day creatures from other worlds may come here and stand on the ruins of Carthage as I did. They may look upon the desolate remains of an earth whose people ate of the tree of knowledge, who knew good and evil, who split the atom but were not worthy to know the secrets of nature. There is no assurance that a unified race will be any better than a mixture of races. The unified race could destroy itself in the fury and fire of nuclear fusion. Perhaps beings from other planets will be better than we; perhaps not. The universe is dotted with dead planets and suns and stars and moons and the dust of what once was. This may be earth's destiny.

WEST BERLIN. EASEMENTS—WAYS OF NECESSITY

(Mr. McCORMACK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. McCORMACK. Mr. Speaker, it is a universally established principle that where a tract of land is conveyed which is separated by other lands of the grantor or sourrounded by his lands or by his and those of third persons, there arises, by implication, in favor of the grantee, a way of necessity across the premises of the grantor to the highway. The granting of an easement under such circumstances is due to the fact that it is against public policy for land to be owned to which there are no means of ingress or egress. This principle of law is universally recognized and established.

The application of this principle of law to the West Berlin situation seem to be equally sound on the international level. In the case of West Berlin, which is an integral part of West Germany, and which is geographically isolated from West Germany, international law should recognize and provide that under such circumstances an area situated like West Berlin is, should have means of ingress and egress to the country of which it is a part.

In connection with this question and the geographical situation of West Berlin, I requested Charles S. Sullivan, Jr., who was special assistant to the Attorney General for 10 years from 1948 to 1958, to make a study of the law, both domestic and international.

I include in my remarks a memorandum, or brief, prepared by Mr. Sullivan and submitted to me. This memorandum or brief, in my opinion, is of particular application to West Berlin. It would be indefensible for any country, or countries, to deny the people of West Berlin physical means of communication with the Republic of West Germany, of which West Berlin is an integral part. Certainly the extension of the law of easement, through necessity, to any international situation is a sound and logical one. It is also evident from Mr. Sullivan's memorandum or brief to me that there is precedence in accordance with the "Law of Nations" or as more recently termed "International Law."

WEST BERLIN: EASEMENTS—WAYS OF NECESSITY

A way of necessity is an easement arising from an implied grant or an implied reservation (*Corea* v. *Higuera* (153 Cal. 451, 95 Pac.

882), *Rater* v. *Shuttlefield* (146 Iowa 512, 125 N.W. 235) and orlginates from the common law, supported by the rulc of sound public policy that lands should not be rendered unfit for occupancy (*Wiese* v. *Thien* (279 Mo. 524, 214 S.W. 853), *Bismarck* v. *Casey* (77 N.D. 295, 43 N.W. 2d 372)).

"A way of necessity arlses as an implication of law from the prlnciple that where anything is granted, the means to attain it are granted, and a grant of ground includes a way to lt" (*Wauburn Beach* v. *Wilson* (265 N.W. 474)).

"It is just what it purports to be, a way arising by implication of law out of the necessitles of the case" (*Bismarck* v. *Casey, supra;* see also *Adams* v. *Cale* (48 N.J. Super 119, 137 A 2d 92); *Perodeau* v. *O'Connor* (146 N.E. 2d (Mass.) 512); *Condry* v. *Laurie* (184 Md. 317, 41 A 2d 66)). A way of necessity is the result of the application of the presumption that whenever a party conveys property, he conveys whatever is necessity for the beneficial use of that property and retains whatever is necessary for the beneficial use of the land he still possesses (*Bussmeyer* v. *Jablonsky* (241 Mo. 681, 145 S.W. 772); see also *Powers* v. *Heffernan* (233 Ill. 597, 84 N.E. 661); *Pyramid Coal Corporation* v. *Pratt* (229 Ind. 648, 99 N.E. 2d 427); *Palmer* v. *Palmer* (150 N.Y. 139, 44 N.E. 966); *Ashby* v. *Justus* (183 Va. 555, 32 S.E. 2d 709); *Galloway* v. *Bonesteel* (65 Wis. 79, 26 N.W. 262)).

It was said in *Brigham* v. *Smith* (4 Gray (Mass.) 297), which is quoted in *Pyramid Coal Corporation* v. *Pratt* (99 N.E. 2d 427 (1951)):

"It is settled law that if one conveys a part of his land in such form as to deprive himself of access to the remainder, unless he goes across the land sold, he has a way of necessity over the portion conveyed. This is because the law presumes an understanding of the parties that the one selling a portion of his land shall have a legal right of access over the part sold to the remainder, if he cannot reach it in any other way. * * * The law presumes that one would not sell his land to another without an understanding that the grantee should have a legal right to access thereto over the part not conveyed."

In *Barrick* v. *Gillette* (187 S.W. 2d 683 at 687) the following comment appears:

"The element of necessity is a component part of the controlling issue or ground of recovery in a case where the establishment of an easement, implied from the use made of the adjoining tract of land by a common grantor, is sought to be established. The degree of necessity requisite to the establishment by necessity is such merely as renders the easement necessary for the convenience and comfortable enjoyment of the property as it existed when the severance was made."

It is a universally established principle that where a tract of land is conveyed which is separated by other lands of the grantor or surrounded by his lands or by his and those of third persons, there arises, by implication, in favor of the grantee, a way of necessity across the premises of the grantor to the highway (*Pinnington* v. *Galland* (9 Exchequer 1)); see also the following cases where the foregoing principle is repeated, *Robinson* v. *Clapp* (65 Conn. 365, 32A939); *Finn* v. *Williams* (376 Ill. 95, 33 N.E. 2d 226); *Ellis* v. *Bassett* (128 Ind. 27 N.E. 334); *Adams* v. *Marshall* (138 Mass. 228); *Berlin* v. *Robbins* (180 Wash. 176, 78 Pac. 2d 1047); *Screven* v. *Gregorie* (42 S.C.L. (8 Rich.) 158); *Othen* v. *Rosier* (148 Tex. 485, 226 S.W. 2d 622); *Derifield* v. *Maynard* (126 W. Va. 750, 30 S.E. 2d 10); *Backhousan* v *Mayer* (204 Wis. 286, 234 N.W. 904).

The requirement that an easement be apparent and continuous in order to imply a grant or reservation does not apply to a way of necessity (*Barrick* v. *Gillette,* supra), and it is immaterial whether the grant is voluntary or involuntary by operation of law (*Ritchey* v. *Welch* (149 Ind. 214, 48 N.E. 1031); *Proudfoot* v. *Saffle* (62 W. Va. 51, 57 S.E. 256)).

It will be seen in the application of international law to the type of easement under discussion that the reason why it is immaterial whether the easement is voluntary is because an easement by necessity is based on the law of necessity which was defined as "the law of nature" by Numa about 629 B.C.

While it has been held that the necessity must be reasonable necessity as distinguished from mere convenience, nevertheless an inconvenience may be so great as to amount to the kind of necessity required to create a way by necessity (*Screven* v. *Gregorie* (42 S.C.L. (8 Rich.) 158, 64 Am. Decisions 747); *Lawton* v. *Ruers* (13 S.C.L. (2 M'Cord) 445, 13 Am. Dec. 741)).

A way of necessity is not sanctioned where there is available another means of ingress and egress to and from the claimant's land even though it may be less convenient and will involve some labor and expense to repair and maintain (*Jennings* v. *Lineberry* (180 Va. 44, 21 S.E. 2d 769)). However, it has been held that where the alternate to using a way through a mountain pass is to scale a mountain, the way of necessity will be granted (*Ashby* v. *Justus* (183 Va. 555, 32 S.E. 2d 709)).

Thus the general rule is that inconvenience alone will not create a way by necessity, the prevailing rule is that the creation of such an easement is implied only by a reasonable necessity (*Greenwalt* v. *McCardell* (178 Md. 132, 12 A. 2d 522); *Olson* v. *Mullen* (244 Minn. 31, 68 N.W. 2d 640); *Paine* v. *Chandler* (134 N.Y. 385, 32 N.E. 18); *Gorman* v. *Overmeyer* (199 Okla. 461, 190 P. 2d 447); *Jack* v. *Hunt* (200 Ore. 263, 264 P. 2d 461, 265 P. 2d 251); *Evich* v. *Kovacevich* (33 Wash. 2d 151, 204 P. 2d 839)).

INTERNATIONAL LAW—THE LAW OF NATIONS

The obligations of the fundamental principles of "The Law of Nations" arise from "The Law of Nature," deducing the duties, both of individuals and states from one common origin, pursuing these deductions into their different ramifications, both of social and of national obligation. (Manning, "Law of Nations," p. 2.)

The "Law of Nature," guiding the conduct of mankind, constitutes the basis of the "Law of Nations." In the Institutes of Justinian, it was referred to as "Jus Naturae." The law of nations became more fully developed in the Rhodian code of laws and was first recognized and sanctioned by the Emperor Tiberius, subsequently by Adrian and then by all succeeding emperors.

In commenting on the right of passage through another country in order to enter territory beyond, Grotius asserts: "Nothing but extreme necessity can give us any right over the property of another and before necessity can give us any such right it must be shown that the owner has not an equal necessity for the same thing. It must be shown that the exercise of the right to forbid passage is not equally important to the sovereign of the neutral country" (Grotius, "Law of Nations," 1625). In the Parthian expedition of Alexander Severus, it was an act of necessity for an easement through a neutral country in order to reach another territory, thus acquiring an easement by necessity for passage of his troops. The passage of troops through the neutral nation was quite innocuous as his troops were so well disciplined. Severe punishment was imposed upon the soldiers of Alexander's army by his own generals and officers for any violations of the local laws of the neutral country. This action resulted in a feeling of tranquillity of the citizens of the neutral nation toward Alexander's army (Grotius).

Vattel, "The Law of Nature as Applied to the Necessary Law of Nations," 1785, is of the same opinion, and states: "Extreme necessity may force passage through neutral territory as when an army finds itself exposed to imminent destruction or is unable to return to its own country, unless it pass through neutral territories."

De Martens, "The Law of Nations," 1785, published the same year as that of Vattel, is of the same view as Grotius and Vattel.

The procedure by which an easement through necessity was effected among nations, was established by Numa about 629 B.C. Of his council of 20, four ambassadors were selected to inform the neutral nation that, since there was no other avenue of ingress or egress to reach the desired territory, a passage by necessity for the Roman troops was imperative. The ambassadors were to assure the foreign government that the passage would be:

1. Peaceful;
2. All local laws strictly obeyed;
3. Integrity of the sovereignity guaranteed, and
4. Noninterference with the neutrality of the country.

The latter included a promise that the neutral country would not be used for stockpiling, erection of fortifications, etc.

NOTE.—This procedure is not to be confused with an easement obtained through contract (or treaty).

In the event the neutral nation refused easement, the matter was to be negotiated, if possible, and the specific conditions agreed upon set forth in a contract (or treaty). Failure of agreement often resulted in the passing through by military force.

It is the concensus of most historians that, in early times, immediately following Numa's promulgation of "The Law of Nations," easements by necessity, acquired by armies, were absolutely necessary in order to reach their objective. (Grotius, Vattel, De Martens, "Law of Nations.")

Numa was the first to maintain that the "Law of Nations" was based upon the natural law which is derived from "The Law of Necessity," when he gave to the world the first legal code, reduced to writing, for the conduct of sovereign governments, known as "The Law of Nations." In the early part of the 19th century the term, "The Law of Nations," was changed to "International Law," by the authors of that period, and is known as such by all countries today.

Both the private and international "easement by necessity" are so interwoven, it may be said that, the requirements for each appear to be identical, as illustrated by previous cases cited on the domestic law, and the reiteration of historical events in the intercourse of nations.

Grotius asserts that there have been several occasions in history where easements by necessity were established by armies because there was no other means of passage but that these were inconsequential, due to the strict observance of the internal laws of the neutral nations, and noninterference with the peaceful business of its citizens.

It was not until the Crusades that the easement by necessity among nations changed from peaceful passage to invasion. This was due to abuses inflicted upon the people of neutral countries by the armies moving through their territories. As a result of these abuses, easement by necessity practically passed into oblivion, and entrance by a foreign army was accomplished either by specific agreement (treaty), or military aggression (Grotius, Vattel, De Martens). These last two methods are the only kinds of passage employed by nations today, according to authors of the 20th century (Manning, Hall, Hallack, Finn, DuFoi, etc.).

The only known instance in modern times, where an easement by necessity was acquired in the absence of a treaty or armed aggression, was during the Russo-Japanese war when Japan's Army marched through Man-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For Department Staff Only)

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HIGHLIGHTS: Sen. Dworshak urged increase in domestic sugar quotas. Sen. Humphrey criticized administration's farm policies. Sen. Mansfield urged increased reforestation of national forests. Senate committee voted to report mutual security authorization bill. House passed independent offices appropriation bill. House debated mutual security authorization bill. Rep. Nelsen introduced and discussed farm bill.

HOUSE

1. INDEPENDENT OFFICES APPROPRIATION BILL, 1961. Passed with amendment this bill H. R. 11776. (pp. 7781-5) For items of interest to this Department see Digest 70.

2. COMMERCE DEPARTMENT APPROPRIATION BILL, 1961. Disagreed to Senate amendments to this bill H. R. 10234; conferees were appointed. p. 7785 Senate conferees have been appointed.

3. MUTUAL SECURITY. Began debate on H. R. 11510, the mutual security authorization bill. pp. 7785-840

4. INTEREST RATES. Rep. Patman criticized the Treasury Department for not using an alternative method of financing their recent issuance of $2 billion worth of 52-week bonds "on April 14th one day before income tax payments were scheduled." pp. 7840-2

5. CIVIL DEFENSE. Rep. Ikard urged restoration of an item of $3,000,000 in the independent offices appropriation bill for Federal matching funds for beginning the combined Federal-State civil defense program. p. 7852

6. IRRIGATION. The Interior and Insular Affairs Committee reported without amendment S. J. Res. 150, to permit the Secretary of the Interior to continue to deliver water to lands in the 3d Division, Riverton Federal Reclamation project, Wyoming (H. Rept. 1528). p. 7853

SENATE

7. SUGAR. Sen. Dworshak urged enactment of legislation to extend the Sugar Act so that farmers may plan ahead, stated that in supporting sugar legislation he reserved "the right to seek additional domestic sugar-beet quotas for farmers of Idaho and other Western States, taking into account expanding needs of our growing population and the capacity of available processing facilities," and that the increase in quotas he would seek "would help considerably in allocations to farmers wanting to go into sugar-beet production for the first time." pp. 7758-9

8. FARM PROGRAM. Sen. Humphrey criticized Administration farm policies, defended the Poage farm bill (The Family Farm Income Act of 1960) as a "fine, constructive proposal," and inserted an analysis of his own bill, S. 2502 (The Humphrey Family Farm Program Development Act), which he stated "brings farm programs into perspective with total food and fiber use." pp. 7726-30

9. FORESTRY. Sen. Mansfield criticized the reforestation program of the Administration, contended that there is a greater need for national forest reforestation than existed 10 years ago, and stated that "our forest budget is badly out of balance. Today over 4-¼ million acres of national forests require reforestation." He also inserted tables showing the status of reforested areas, and "a series of letters between the Bureau of the Budget and the senior Senator from Montana (Mr. Murray) and letters from the Chief of the Forest Service," discussing the need for reforestation. pp. 7751-8

10. WILDERNESS AREAS. Sens. O'Mahoney and Allott discussed an amendment they intend to propose to S. 1123, the wilderness preservation bill, which Sen. O'Mahoney stated "retains safeguards to meet the future needs of national defense or the needs of a progressive economy," and provides "a statutory means of setting aside certain areas of the public lands which were designated as wilderness by the Forest Service ... prior to February 1, 1960." pp. 7716-7

11. MUTUAL SECURITY. The Foreign Relations Committee voted to report (but did not actually report) with amendments S. 3058, the mutual security authorization bill. The "Daily Digest" includes a table showing authorizations requested by the Administration as compared with authorizations in the House bill and the Senate committee bill. p. D322

The Foreign Relations Committee was granted permission to file a report on the bill by midnight Fri., Apr. 22. p. 7751

12. FOREIGN RELATIONS. Sen. Mansfield inserted a report he prepared after study mission to Mexico in 1955, including a discussion of the corn drought in Mexico, assistance under Public Law 480, and Mexican labor relations. pp. 7742-4

13. TREASURY-POST OFFICE APPROPRIATION BILL, 1961. The "Daily Digest" states that

great medical research center, but across the street is the hospital which provides the critical materials for this entire venture which is the veterans hospital, which has just been completed.

This is the kind of thing we want to do for the University of California. It is rather unfortunate that the Oakland Veterans Hospital, in having been replaced, is moving in actually the opposite situation. Here is a situation where this companion hospital is going to be relatively magnificently equipped but not associated with the Stanford University—whereas the present plan for continuing this hospital will become something of a veterans hospital constructed 50 years ago where they were out in the woods. We need it near the University of California where it will save millions of dollars of the taxpayers' money.

Mr. THOMAS. That was a very fine statement, Doctor.

Dr. JONES. Thank you, sir.

Mr. RHODES. Dr. Jones, are you speaking for the administration of the University of California?

Dr. JONES. I do not speak directly for the administration but I represent an informal group. The way the University of California has to operate is that these things are dealt with rather informally and, as a matter of fact, invitations have come from both the board of regents and the president of the university. However, after these things are worked to the point of surface solution, then action will be taken by the University of California.

These statements by no means complete the case against the Martinez hospital proposal. Rather, they only serve to point up several salient arguments and will, I believe, cause interested colleagues to read in full the testimony before the subcommittee which occurs on pages 1123 through 1169, of Hearings on Independent Offices Appropriations for 1961, part 2, of the subcommittee of the Committee on Appropriations.

I say again that it is unfortunate for the veterans of northern California that the factual considerations involved in this issue have been obscured.

I sincerely hope that the matter will be carefully reviewed and reconsidered by the Senate Appropriations Subcommittee.

Mr. DOYLE. Mr. Speaker, my vote adverse to the adoption of the Saylor amendment is not because I want the hospitalization program for our veterans to receive less in funds nor less than the very best of facilities and the most modern hospital buildings most advantageously located.

In fact, Mr. Speaker, all during my 14 years in this House I have steadfastly supported advance steps in programs designed for our veterans. This fact is well known to you, my colleagues, and likewise to the veteran leaders and to the veterans themselves.

But our Appropriation Committee has held extensive hearings on this matter and recommend a further study of the site question—Chairman THOMAS says not over 6 months.

This is not too long to make as sure as possible a serious blunder shall not be made.

The hospital should be located available to the veterans and their families and visitors and medical staff, so as to be reached by transportation at minimum of cost and time and trouble to all concerned. The University of California has personnel and facilities which need not be duplicated, if the hospital is on their side of the bay.

Granting the proposal by the Saylor amendment would earlier mean, possibly, commencement of construction, by a few months, the Saylor amendment only provides for 500 beds in a new building at Martinez. The present Oakland hospital has a 750-bed capacity and northern California needs at least 750 beds in any new hospital to be built. This is one reason I vote no. Instead of reducing the number of beds in California for veterans, we need to increase same.

I have received reports frequently from veterans' organizations and veteran leaders about the shortage of hospital beds. It should not be so. But, we cannot improve the very bad need now existing all over our State of California, for more hospital beds, by building a new one with less bed capacity, by 250 beds than the present one, proposed to be abandoned now furnishes.

I want the congressional committee to have the additional 6 months to further study the site to be chosen. I am not unwilling to vote more money for a new veterans' hospital than that proposed.

And, Mr. Speaker, as a great need exists in northern California, so, our need also exists in southern California. The need daily increases. Let us not authorize a hospital with fewer beds than we now have. We need more beds.

DEPARTMENT OF COMMERCE AND RELATED AGENCIES APPROPRIATION BILL, 1961

Mr. PRESTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10234) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1961, and for other purposes, with Senate amendments thereto, disagree to the amendments of the Senate and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. PRESTON, THOMAS, CANNON, BOW, and TABER.

SUBCOMMITTEE ON FAIR LABOR STANDARDS

Mr. LANDRUM. Mr. Speaker, I ask unanimous consent that the Subcommittee on Fair Labor Standards have permission to sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

MUTUAL SECURITY ACT OF 1960

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 502 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11510) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. Speaker, I yield myself such time as I may need.

The SPEAKER. The gentleman from Arkansas is recognized.

Mr. TRIMBLE. Mr. Speaker, House Resolution 502 provides for the consideration of H.R. 11510, to amend further the Mutual Security Act of 1954, as amended. The resolution provides for an open rule, waiving points of order, with 4 hours of general debate.

H.R. 11510 authorizes $1,318,400,000 for carrying forward certain portions of the mutual security program. In addition to the parts of the program included in this authorization the Executive is requesting total appropriations of $2,720,100,000 against authorizations already in effect, of which $2 billions for military assistance and $700 million is for the Development Loan Fund.

The authorization is $136,500,000 less than the amount requested by the Executive and $41,942,000 less than the amounts appropriated for these same items last year.

The bill contains a number of amendments to the basic legislation intended to tighten the administration of the program as well as provisions giving additional guidance to, or imposing new limitations on, the Executive with respect to future operations.

In evaluating the request for the authorization of additional funds for economic assistance and in reviewing the military assistance program, the Committee on Foreign Affairs gave primary consideration to the administration of the mutual security program. Most of the American people and the majority of the Congress recognize the soundness of the concept of assisting the military forces of nations determined to resist aggression and of providing economic aid to countries when their present status or future development are of importance to the United States.

Although one result of increasing emphasis on review and evaluation of the program has been the disclosure of a number of instances of waste in particular projects or operations, there was also developed encouraging evidence that, in spite of its operating deficiencies

in a number of areas, the mutual security program is attaining its basic objectives.

Certain of the newer nations which in an effort to follow a neutralist policy had previously refused or played down U.S. assistance as being inconsistent with the policy of placating the Union of Soviet Socialist Republics have now come to value our friendship and counsel as highly as our material assistance. They now have a better understanding of American policy. They recognize the United States has no objective except to assist them in maintaining their own independence and improving their living conditions. There have been several incidents which have shown that the attitude of the people of several of the nations of Asia toward the Soviet Union and Communist China has changed. The vociferous and occasionally spectacular claims of Communist propaganda have been too often more than offset by the flagrant aggressiveness and disregard of human welfare that have characterized Communist performance.

The obstacles confronting U.S. foreign policy have not been removed nor have final solutions been found for our problems. Nevertheless, there are indications that the governments and people of many of the less developed nations have come to recognize that the respect which we have demonstrated for their sovereignty and the priority we have given to the fundamental and the long range justify their trust.

There are those, however, who, while accepting the validity of the concept of foreign aid, have misgivings as to the ability of the United States to administer effectively a program of the magnitude and complexity of current mutual security operations. The Committee on Foreign Affairs has given a high priority to following up reports of waste and inefficiency in carrying out the program and has initiated legislation to correct some of the major deficiencies.

Mr. Speaker, I urge the adoption of House Resolution 502.

(Mr. WALTER (at the request of Mr. TRIMBLE) was given permission to extend his remarks at this point in the RECORD.)

Mr. WALTER. Mr. Speaker, I am not opposed to H.R. 11510 and I intend to vote for this legislation as I have voted in the past for all measures designed to strengthen the free world in the continuing fight with the encroachments of Communist tyranny and Communist conspiracy.

However, inasmuch as this legislation authorizes the continuation of certain activities of the Development Loan Fund, I wish to bring to the attention of the House an apparently erroneous statement contained in the report of the Special Study Mission of the House Committee on Foreign Affairs regarding certain loans made by the Development Loan Fund for the housing of immigrants from the Netherlands in Australia.

On yesterday I received from my very good friend and former associate in the erection of the Intergovernmental Committee for European Migration, the Honorable Harold Holt, Treasurer of the Commonwealth of Australia, a letter clarifying the matter and under unanimous consent I include Mr. Holt's letter in the RECORD at this point:

COMMONWEALTH OF AUSTRALIA,
TREASURER,
April 13, 1960.

The Honorable Congressman
FRANCIS E. WALTER,
Chairman, Subcommittee No. 1,
Committee on the Judiciary,
House of Representatives,
Washington, D.C., U.S.A.

DEAR CONGRESSMAN WALTER: We have been somewhat disturbed by certain statements contained in the report of the special study mission of the House Committee of Foreign Affairs concerning the loan made to the Netherlands Government by the U.S. Development Loan Fund for the housing of Dutch migrants in Australia.

The relevant sections of the report, as supplied to us by the Australian Embassy in Washington, read as follows:

"UNWISE USE OF DEVELOPMENT LOAN FUND FOR RESETTLEMENT PROGRAMS IN AUSTRALIA

"The study mission had an opportunity to visit several homes built for Dutch settlers in Sydney, Australia. The building of these homes is the result of a $3 million loan from the Development Loan Fund to the Netherlands Government at 4 percent (our Government is paying 5 percent). These homes were supposed to be refugee homes, and we expected to find something similar to our low-rental housing units, but instead, we found two- and three-bedroom brick homes with tile roofs and concrete runways all with carports. These homes are being sold to Dutch settlers by the Australian Government for 20 percent down and 27 years to pay, at 5 percent.

"This loan does not meet the eligibility standards set up for the Development Loan Fund, requiring that loans from Development Loan Fund should be made to underdeveloped countries. The economic condition of both the Netherlands Government and the Australian Government is as good or better than that of the United States. The study mission recommends that the eligibility standards for Development Loan Fund loans not be waived in the future."

Apart from the other misstatements, we were particularly concerned to note the specific reference to the sale of homes to Dutch settlers by the Australian Government. The fact is, of course, that the Australian Government is in no way involved in these transactions.

The homes in question are being erected for Dutch migrants by private builders or the migrants themselves. Finance is being provided from proceeds of the loan and matching funds from the Australian banks, and distributed through the medium of cooperative building societies set up in the respective states for this purpose.

We are assured by the Netherlands authorities that the agreement concluded with the Development Loan Fund stipulated that houses should conform with local building regulations and standards and the agreement incorporated conditions which have the obvious intention of preventing the construction of substandard or refugee-type houses. It is hardly necessary for me to stress that at no time did the Dutch or we contemplate the erection of such dwellings.

The Study Mission claims that the loan was intended for the building of homes for refugees. I am informed, however, that the agreement stipulates that the homes must be made available to "Dutch immigrant families." Refugees are not mentioned in the agreement, although Dutch migrants from Indonesia qualify for loans.

Less than 25 percent of the houses built in Australia under the agreement are of brick. The majority are timber framed and sheeted with timber or asbestos cement. They comply with local Government and building society regulations including limitation of amount of loan.

Neither the Netherlands Government nor the Australian Government derives any profit from the U.S. loan moneys, all of which are spent for the benefit of migrants.

I felt I should let you know the facts for your own personal satisfaction and also in order that you may be in a position to remove any misunderstanding which has arisen and which may still exist in some quarters as a result of the Study Mission's report.

With my kindest regards.

Yours sincerely,

HAROLD HOLT, *Treasurer.*

I am glad to note, Mr. Speaker, that Mr. Holt has also written in the same manner to Mr. C. Douglas Dillon, our able Under Secretary of State, who has shown broadness of vision and full realization of the merits of this loan. Mr. Dillon has helped some of us who were interested in this matter to achieve excellent results. He has greatly contributed to the cooperation between the United States and two countries which we are proud to count among our most faithful allies and best friends—Australia and the Netherlands.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, as the gentleman from Arkansas has stated, this resolution makes in order the consideration of the bill H.R. 11510, the so-called mutual security or foreign aid authorization bill. The total authorization contained in the measure is a little better than $4.1 billion.

I know of no opposition to this rule. I am sure that most Members of the House know the position I have taken on this legislation for a great many years, therefore I am not going to discuss that angle.

I call the attention of the House to the fact that once the authorization bill is passed then, of course, the Appropriations Committee will have to bring in, in its own wisdom and under its own power and judgment, an appropriation bill to carry the funds that are authorized by this legislation for mutual security and foreign aid expenditures.

I think it only proper and fair that I call the attention of the Members to the fact the Appropriations Committee has consistently reduced the amount of appropriations far below that which has been authorized for mutual security purposes.

I should also mention the fact that the gentleman from Louisiana [Mr. PASSMAN], chairman of the Appropriations Subcommittee handling the appropriations authorized under this legislation, has notified the various House Members in writing that something like $8.1 billion have been made available for foreign aid purposes during the present fiscal year which ends on June 30. Of course, the present authorization bill deals only with mutual security funds for the new fiscal year which starts on July 1.

Perhaps it may be of interest to the House to also know that in the hearings before the Rules Committee, when the

chairman of the Committee on Foreign Affairs appeared requesting this rule, the gentleman from Pennsylvania [Mr. MORGAN], in reply to questions, very frankly gave his views and opinions on certain matters in connection with the foreign aid or mutual security program.

In direct answer to a question propounded to him as to when we in America may expect that an end be brought to foreign aid spending, he advised us that he did not believe an end would come to this program within the foreseeable future, but instead it would have to be continued, in his opinion, for many, many years to come.

Further, in reply to another question in which he was asked how many different governments in this free world of ours were receiving some benefits from this legislation out of the Treasury of the United States, he advised us that there were 72 different countries receiving aid in some form or other under this legislation out of the U.S. Treasury, into which, of course, the American people are paying their Federal taxes.

Then, in answer to another question being put to him as to how many nations or countries in the free world he could name that were not receiving benefits or American aid under this program, he advised us at first that he thought there were a good many but he could recollect only three: Canada, Australia, and New Zealand.

Mr. Speaker, I have taken this time to make these statements because I believe that on legislation of this type the House is entitled to all of the information it can get, and I am sure that the members of the Committee on Foreign Affairs, both the proponents and the opponents of this bill, will explain this legislation very thoroughly.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Iowa.

Mr. GROSS. This is the program that was supposed to have been liquidated and ended in 1952; is that not correct?

Mr. BROWN of Ohio. Well, I think we were advised on different occasions that different aid programs would be ended within 2, 3, or 4 years.

Mr. GROSS. I would like to ask the gentleman another question. Does the gentleman think it is good practice to provide rules on bills of this nature waiving points of order?

Mr. BROWN of Ohio. Let me say to the gentleman that I seldom vote for a rule to waive points of order, and I did not vote for this particular rule.

Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11510) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11510, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

(Mr. MORGAN asked and was given permission to revise and extend his remarks.)

Mr. MORGAN. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, let me begin by saying that H.R. 11510, the bill before us, contains the smallest authorization of funds for assistance to foreign nations that has been submitted to the House in any year since the beginning of the Marshall plan in 1948.

This is a true statement, but it is at the same time a misleading statement. Other true but misleading statements have been made about the mutual security program before, and I am afraid that this will not be the last.

I do not want to mislead anybody about any part of this bill or this program. I am convinced that 90 percent of the opposition to the mutual security program is based on misunderstanding. I believe that there is not any greater service that I can render to this House than do the best I can to bring out the facts about this program and do everything possible to make sure that they are understood.

Let me hasten to make clear what is misleading about my opening statement. This bill does not include authorizations for the largest and most important part of the mutual security program—military assistance. Neither does this bill contain any authorization for the Development Loan Fund. The Executive has requested an appropriation of $2 billion for military assistance and an appropriation of $700 million for the Development Loan Fund this year against authorizations made last year.

The Mutual Security Act as finally approved last year authorized the appropriation for military air of "such sums as may be necessary" for the fiscal years 1961 and 1962 on an experimental basis. This new procedure did not originate in the Foreign Affairs Committee or in the House. The mutual security bill passed by the Senate last year abandoned the practice of annual authorizations for military assistance and provided a continuing authorization of appropriations for this purpose. In conference a compromise was reached which included a specific authorization for fiscal 1959 and such sums as may be necessary for 1960 and 1961. This compromise was accepted by the House and is now contained in the law.

I still have an open mind as to whether this action of last year is a good idea. One reason for doing as we did was that the Executive wanted to include the military assistance appropriation in the regular military appropriation bill. They said that waiting for annual authorization would make this impossible.

Our Appropriations Committee has decided not to follow the Executive recommendation in this respect, and the military assistance appropriation is being handled as part of the mutual security appropriation. I personally favor the way in which the Appropriations Committee is proceeding, although I accepted last year's compromise in good faith and would prefer not to make any change in the authorization procedure during the present Congress.

H.R. 11510 authorizes appropriations of $1,318,400,000. The Executive requested authorizations of $1,454,900,000 for the programs included in this bill and we have made a cut of $136,500,000—about 10 percent. The authorizations in this bill are $41,942,000 less than was appropriated for these same purposes last year.

There are four items in the bill which are greater than $100 million: defense support, special assistance, technical cooperation and the contingency fund.

The largest and most important authorization is $675 million for defense support. This is $49 million less than the Executive request and $20 million less than last year's appropriation. This is economic aid to countries which are carrying on military programs which overtax their economies. There are only 12 countries getting defense support, of which Spain, Greece, and Turkey are the only European recipients. Over half the money is planned for three countries: Korea, China—Taiwan—and Vietnam.

The committee cut defense support by $49 million after going over the program in great detail. I believe that a further cut would endanger the military effort in these 12 countries.

Special assistance is economic assistance of the same general character as defense support, but it goes to a different class of countries. The committee cut the Executive request for this item by $12,500,000, making an authorization of $256 million.

Special assistance is planned for 22 countries which do not maintain significant military forces but which are of special importance to the United States for a variety of reasons.

Included in this group is West Berlin where the interest and prestige of the United States are clearly at stake.

Special assistance is provided to Israel and to Jordan. The United States is firmly committed to assisting both of these nations to maintain their national independence.

Special assistance funds are also provided to several countries in which we maintain important oversea bases. The availability of these bases might be affected if this assistance were not available.

The basic justification for special assistance is political. The committee reviewed the situations in the various countries involved, and we are convinced that a further cut would seriously handicap our foreign policy.

The Executive asked $175 million for the contingency fund to meet unforeseen emergencies. The committee cut this to $100 million. This is $55 million less than was appropriated last year.

The concept of a contingency fund is entirely sound. Past experience clearly indicates that new and unanticipated situations will continue to develop where assistance will be of vital importance to

U.S. policy. The drastic cut made by the committee, I believe, is as far as we can safely go. A reduction below the $100 million figure would leave too small an amount to meet the contingencies which are to be expected in a $4 billion program.

The committee made a careful review of the technical cooperation program and made no cut in the request for an authorization of $206,500,000 for this program. This is the basic point 4 operation and includes hundreds of small technical assistance operations in the less developed countries. It is generally agreed that this program is highly successful and that its long-range benefits will exceed its cost many times over.

ADMINISTRATION OF THE PROGRAM

I would like to refer for a few minutes, Mr. Chairman, to the administration and operation of the mutual security program.

I recognize that there are some people who sincerely believe that the whole concept of foreign aid is unsound, that it is wrong to spend the taxpayers' money to assist other nations, and that if we mind our business and save our money, the dangers which now threaten us will pass away and we will find ourselves living in a peaceful and prosperous world without cost or effort on our part.

Needless to say, my attitude is diametrically opposed to this. I firmly and sincerely believe that the mutual security program is vital to our national security and to our future prosperity. The affairs and destinies of other nations are unavoidably intermingled with our own.

I believe that the foreign aid program can be made to work effectively and efficiently.

I believe that it is absolutely essential to the safety and welfare of this country that it does operate effectively and efficiently.

There is nothing in which I am more interested than in improving the operation of the program, and the Committee on Foreign Affairs has accomplished a good deal in this direction. The committee report on this bill sets forth some of the details.

Most of the reforms and improvements which have taken place are not spectacular in nature and their results are not immediately visible. Let me cite one instance.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-seven Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 49]

Addonizio	Baumhart	Davis, Tenn.
Allen	Betts	Dent
Andersen, Minn.	Bonner	Derounian
	Boykin	Diggs
Anderson, Mont.	Brock	Farbstein
	Buckley	Fenton
Anfuso	Burleson	Fisher
Ashley	Celler	Ford
Auchincloss	Coffin	Garmatz
Bailey	Cooley	Gavin
Barden	Daddario	Grant
Hargis	Mitchell	Short
Hébert	Montoya	Sisk
Horan	Moorhead	Taylor
Johnson, Colo.	Morris, N. Mex.	Teague, Tex.
Kearns	Morrison	Teller
Kelly	Moulder	Thompson, La.
Keogh	Norblad	Thompson, Tex.
King, Utah	Norrell	Utt
Levering	Powell	Van Pelt
Lindsay	Prokop	Willis
McGovern	Randall	Withrow
Mack	Reece, Tenn.	Young
Meader	Rogers, Tex.	Younger
Merrow	Rooney	
Metcalf	St. George	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 11510, and finding itself without a quorum, he had directed the roll to be called, when 355 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. MORGAN. Mr. Chairman, until 2 years ago it was the practice in administering the mutual security program to obligate funds appropriated by the Congress for a particular project merely on the basis of an agreement with a foreign government that the project would be undertaken. This became one of the major causes of waste in the operation of the economic assistance program. Agreements would be signed and funds committed before the plans for the project had been developed, before the costs were accurately estimated, before the difficulties to be met and the means of overcoming them were known, and before the recipient government had arranged for its share of the financing or taken necessary legal or legislative action.

The result was that funds were tied up for periods of as long as 4 years without being used, while the foreign beneficiary was disappointed and U.S. officials devoted hours and money to futile conferences, surveys and negotiations.

In 1958, at the initiative of the Committee on Foreign Affairs, section 517 was added to the Mutual Security Act, requiring that plans, cost estimates and other preliminaries had to be taken care of before funds could be obligated. The results have been highly beneficial, but you do not see any newspaper headlines about them. You can still find a few bogged down projects in various countries, involving funds that were obligated before section 517 went into effect, but these are being cleaned up.

The point is that this entire area of waste is being taken care of. There is still much to be done and much is being done to deal with the various situations. The Foreign Affairs Committee will continue to push hard in this direction.

In closing, Mr. Chairman, let me say a word about what a vote against this bill would mean.

I am sure there are those who are inclined to believe that ending or drastically curtailing the mutual security program would result primarily in a lot of foreigners having to tighten their belts and that this would not be such a bad idea.

It is undoubtedly true that a lot of foreigners would have to tighten their belts if this happened, but let us forget about the foreigners and think about what would happen to us.

In the first place, our entire military organization and defense strategy depends on foreign aid. Our striking power is dependent on oversea bases. Our major commands include forces of other nations. The only kind of a major war we are organized and equipped to fight is a war in which we depend on the airfields, the planes, the minesweepers, the radar equipment, and the guided missiles manned by our allies. We have no immediate alternative. For several years, even if we started immediately to reorganize, it would be this type of defense or nothing.

It is easy for armchair strategists to discuss what other defense strategies might be possible or desirable. The best military judgment in the country believes in the strategy based on military assistance and, in any case, we have not anything else.

Another easy way out with respect to voting against the mutual security program is to say that if we made no more money available this year, we could coast along for a year spending the unexpended balances and see what happens.

As every Member of the House has been informed, the unexpended balance of mutual security funds last June 30 was $4,837,708,750. The most recent estimate made by the Executive is that there will be an unexpended balance of $4,676,630,000 on June 30, 1960—the end of the current fiscal year.

The meaning of these figures depends on the obligations which have been made against them. If a businessman looks only at his assets and ignores his liabilities, he faces a rude awakening. You cannot measure anyone's financial position by merely looking at the balance in his checking account. You have to know what his current obligations are, his mortgage and insurance payments, and his monthly bills before you know how well off he is.

Against the $4.8 billion of unexpended funds last June 30 must be balanced $4.5 billion of firm commitments to pay for orders already placed, contracts let, and work in progress.

If we decide this year to keep the program going out of unexpended balances, we can continue deliveries for another year or a little longer, but we are really deciding that by 1962 the mutual security program will grind to a halt. There is no way that we can fill up the pipeline by action a year from now so that the missiles and the planes will be available in 1962 and 1963.

I am not ready to gamble that the cold war will be over in 1962. I am not ready to decide today that our foreign bases and the forces of our allies will not be needed in 1962.

Let anyone who wants to gamble on a proposition like that risk his own money, but let me urge him not to gamble with the security of our country and the future of our children.

We hear a lot these days about spenders and savers. There may be those

who would like to buy membership in the savers' club by voting against foreign aid. I do not believe that many Americans believe that hibernating is saving. Nobody thinks that going without all food, or all fuel, or all shelter should be called "saving." We do not save by doing nothing instead of doing something. We save by doing what we have to do economically and effectively.

We can cut out military aid and weaken our defenses. If we are willing to do that, we could save a lot more by cutting our defense budget by $10 billion.

The eyes of the entire world are focused on us as we consider this bill—our friends and our enemies. The signs that we are making progress in the cold war are more numerous and more encouraging than they have ever been. There have been widespread and convincing demonstrations that the people of distant nations and different races regard the United States as a friend and look to us for leadership and assistance.

Several nations which have in the past given priority to their efforts to placate the Kremlin have seen the error of their ways and have turned in our direction.

The mutual security program has demonstrated that it is workable and that it is working. If our action on this bill raises doubt in the nations of the world as to where we stand or where we are going, most of what we have gained will be lost immediately.

Let every Member weigh very carefully the meaning of this program. Let no one act on it without taking a new look at where we stand and the alternatives that are available.

I believe the answers are clear and inescapable.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Iowa.

Mr. GROSS. Did I understand the gentleman to say earlier in his remarks that the opposition to this bill is based 90 percent upon ignorance?

Mr. MORGAN. No; I said that most of the people who oppose this bill are misinformed about the mutual security program.

Mr. GROSS. Misinformed, then. Being one of the allegedly misinformed, I wonder if the gentleman can explain the necessity for this provision on page 3 of the bill, section 202(c):

> The Fund shall not allocate or commit funds aggregating in excess of $100,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country which is supported by sufficient engineering, financial, or other data to indicate reasonably (A) the manner in which it is proposed to use such funds.

What is the reason for this provision? Is this an admission for the first time in an authorization bill that funds have been wasted in the past because the money has not been properly managed or the programs have not been well set up in advance?

Mr. MORGAN. The gentleman from Pennsylvania has been as critical of waste and inefficiency in this program as has the gentleman from Iowa, and I know the gentleman from Iowa has been very critical of the program. This amendment was adopted by the committee upon the recommendation of the Subcommittee on Government Operations, headed by the gentleman from Virginia [Mr. HARDY]. He testified before the committee, and this is the result of his testimony before the full Committee on Foreign Affairs.

Mr. GROSS. The provision to which I take exception is that it shall apply only to amounts above $100,000. Is not $100,000 important these days?

Mr. MORGAN. This figure is set with the idea of flexibility so that commitments for planning and preliminary engineering work would not be included.

Mr. GROSS. I would say it is an understatement to say that it is flexible.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I would like to express my personal appreciation to the gentleman from Pennsylvania for a very straightforward and practical-minded discussion of this issue and for the light which he shed upon the vital questions which are at stake in this debate. I am particularly appreciative of his mention of section 517 and of the amendment which has been placed in the bill to section 517, appearing on page 10 of the bill. The gentleman will recall that in the 1958 session the House added an amendment to this act in which it was required that public works projects in foreign-aid countries should meet the same benefit-cost standards and feasibility requirements that we have on similar projects in the United States. In offering that amendment, which a number of Members supported, I contended it was essential to give us fair value on our dollar investment, and to prevent some of the waste we all deplore in this program. The amendment was adopted in the House but not in the other body, and it was lost from the bill. I am very pleased to see that similar language appears this time in the bill, as reported by the Committee on Foreign Affairs, and I hope the House will insist upon this language when the bill goes to conference.

Mr. MORGAN. I am sure if we had been more insistent on the gentleman's position in 1958 we would have been ahead. I think this is an important amendment. The author of this amendment in the bill is the distinguished gentleman from Indiana [Mr. ADAIR]. If the gentleman recalls, an almost identical provision is already in the Mutual Security Appropriation Act of last year. The gentleman can be sure the chairman will do his best to protect this provision in conference.

(Mr. EDMONDSON asked and was given permission to revise and extend his remarks.)

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Ohio.

Mr. FEIGHAN. The gentleman will recall that Koslov and Mikoyan, the trade and economic experts from Moscow, were over here preceding Khrushchev, at which time they endeavored to get a line of credit of a billion and a half dollars, for which there was negotiation for the cancellation of the $11 billion which the Soviet Union owes the United States, on the basis of the U.S.S.R. paying us $800,000, which would cancel the $11 billion, and our immediately giving them the billion and a half line of credit.

As I understand, there is no absolute prohibition against the President giving any technical or other assistance, military excepted, to the Soviet Union. I wonder if the possibility was contemplated or envisioned at all by the committee that the President in the future might give technical aid to the Soviet Union.

Mr. MORGAN. Absolutely not. It would be against the fundamental purpose of the whole program. The descretionary authority in the bill is not intended for this purpose and I do not believe that any responsible official of our Government has any intention to do so, except that maybe there would be some dissension or revolution in the Soviet Union where we might want to move in perhaps using the contingency fund for this purpose.

Mr. FEIGHAN. As I understand, there is nothing in the bill that is an absolute prohibition against the President's using his discretion, and giving aid to the Soviet Union.

Mr. MORGAN. That is correct.

Mrs. BOLTON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, a very real privilege has been given me by the ranking Republican on the Foreign Affairs Committee, the distinguished gentleman from Illinois [Mr. CHIPERFIELD], in his asking me to handle the Republican time on this exceedingly important bill. With him beside me I am happy to do so.

Before I say anything further I want to express my personal appreciation of our chairman, the distinguished gentleman from Pennsylvania, Dr. MORGAN. This is not an easy committee to handle Mr. Chairman. There are very many divergent opinions. We all get a little hot under the collar every so often. Fortunately we have a very sane, sound, and calm chairman with a sense of humor. I am happy to have this opportunity to express publicly my appreciation of his capacity and his courtesy.

Now it is not at all my purpose to take up more than a little of the time of this House. I am going to speak briefly, and I am not going to speak at all in the same way that our chairman has done. His presentation needs no further words from me. The details of the bill will be enlarged upon by other Members of the minority side. What I want to say is in a different vein. I want first to remind you of the kind of people we Americans are, and to say to you frankly that if we had no Communists in the world and came in contact with the underdeveloped nations in any way that would make us understand their poverty and their need we would have been immeasurably constrained to help them.

I want to remind you that once a very long time ago, it was prophesied there would be Armageddon. The fields of the traditional Armageddon in Palestine are very quickly flown over. I did that a number of years ago and had the privilege of being with a man who knew every inch of it, and made the Biblical story very vivid. Today, I am saying to you, my colleagues, that that small field is far too small to contain the Armageddon that we are fighting today. I do not care what your viewpoints may be but I say to you with deep seriousness that we are fighting Armageddon on a worldwide basis today. It is a battle for survival between the believing world and the unbelieving world.

When someone asks, as some of our distinguished colleagues have asked down through the years: How long is this program going to go on—when are we going to stop it? So many have tried to give specific dates. Every time that has happened, I have wished I had the courage to get up and say: There will be no end so long as Armageddon is being fought. Unless we have the courage and unless we have the capacity to see and to realize what this means to all of the people of the world, there will be no end. We may have to use force so we must be strong. Surely we have not used our best imaginations. We have not let our minds go out into these other countries and tried to understand the people. We have, perhaps, forogtten that when we came over to this country, we were a tremendously hardy people. We were strong physically. We had a grim determination to be free. Then in many instances, we promptly put the chains on again. But, we were a free people—we were a hardy people. Today, our children do not even walk to school. What is that in itself a symbol of? How are we going to compete with the coming generations of the Communist people if we do not have the physical strength to climb mountains?

Now I want to say to you just this: We have assumed responsibility in the world. Perhaps it was thrust upon us. Perhaps we were forced by circumstances and our own willingness to be decent to other decent people. But now it is ours, and I believe we just dare not go back on those responsibilities. We dare not leave people in the lurch. May I remind you that since the Marshall plan and the Truman plan and the various different nomenclatures under which our assistance went forth not one single country into which we have gone with help has turned Communist. I think that is something some of the Members of this body should think about very, very earnestly. Even where we made big mistakes and did badly, there are magnificent results today. In some of the places where we have received the greatest criticism we have had most startling results. I want to say to you with all the earnestness of which I am capable, that this is as important a moment in the history of the United States as any moment we have lived through. We may not go backward. We have on our coin "In God We Trust." Do we trust in Him and can He trust us? He has given us a job to do, with a different kind of government from what exists anywhere. We are citizens of States. We are also citizens of the Nation that they form. That is rather different. Perhaps we have too good a government. Is it not possible that we have made too much ease to our people? Is it not time that we evaluate what we have been and what we are? Should we not be thinking very earnestly of theses basic fundamental qualities that mean human evolution? We cannot separate ourselves from any human beings anywhere in any world. We may want to but we cannot. All people everywhere are made of the essence of the infinite. We cannot separate ourselves from them.

I would ask you in all seriousness to recognize the changes that have taken place in the countries who make up our opposition. What has happened in Russia in 40 years and a little more? Her people today have a great deal more comfort than they ever had before. The same is true in China, even though the report of the refugees tell us of unimagined horrors. Still their girl babies are not drowned any more, women are paid wages, and so forth, and so forth. I can well believe it might perhaps be tomorrow when China has a bomb of her own; different from ours, perhaps, but a very potent one, and she certainly has potent strength of numbers.

So I would ask you to look at all the facets of this great game of life. Should we not look deeply into our own hearts to be certain whether we are being worthy or unworthy of our Christian heritage? Let us not be unworthy of God's trust in us.

He has given us this opportunity. I beg very earnestly that before you cut one more dollar out of this program you think it over very, very carefully. We as citizens of these United States are being tested in very hot fires. It is my earnest prayer that we may prove ourselves worthy sons and daughters of the living God.

The CHAIRMAN. The gentlewoman has consumed 10 minutes.

Mr. MORGAN. Mr. Chairman, I yield 8 minutes to the gentleman from Wisconsin [Mr. ZABLOCKI].

(Mr. ZABLOCKI asked and was given permission to revise and extend his remarks.)

Mr. ZABLOCKI. Mr. Chairman, in taking the floor in support of the Mutual Security Authorization Act of 1960, I wish, first of all, to commend the distinguished chairman of the Committee on Foreign Affairs [Mr. MORGAN] for his untiring and outstanding work.

Ever since he took over the reins of the Committee on Foreign Affairs he has devoted himself to a continuous study and investigation of the mutual security program, striving with meticulous care and vigor to eliminate waste and to improve the efficiency of this program.

Under Chairman MORGAN's leadership, the committee has recommended numerous improvements in mutual security legislation, both in last year's legislation and in the bill before us. These improvements should have far-reaching effects in assuring that the American people will receive solid and efficient results from every dollar spent on this important program.

Now as to the bill before us.

Having conscientiously attended the lengthy hearings held on it before the Committee on Foreign Affairs, and having studied the evidence submitted by numerous witnesses, by our investigating and other subcommittees, and by the executive branch, I sincerely believe that the authorization it recommends is the minimum consistent with our national interest.

As Chairman MORGAN has pointed out, the bill contains a new authorization of $1,318,400,000, which is $136,500,000 less than the amount requested by the Executive, and approximately $42 million less than the amount appropriated for these same items last year.

In addition, the Executive is requesting total appropriations of $2.7 billion against authorizations already in effect, of which $2 billion is for military assistance and $700 million for the Development Loan Fund.

Further, the bill includes a number of amendments intended to tighten the administration of the program, to impose new limitations on the Executive, and to give additional guidance to the administration with respect to future operations.

I fully realize that this legislation alone will not produce miraculous results. Painstaking investigations of the mutual security program has revealed a number of instances in which wasteful and inefficient use of our resources is in evidence. We have tried to correct those situations, we have achieved a good measure of progress, and we will continue to do the best we can. Much greater effort is needed, however, on the part of the people who administer this program. This effort has to be exerted along the following ways:

First. Elimination of duplication in administrative control.

Second. Simplification of the decision-making processes.

Third. Enlargement of the authority delegated to the person in charge of a particular program in a given area.

Fourth. Long-range planning and the establishment of coordinated intermediate and ultimate goals.

Fifth. And greater emphasis on economic assistance to the underdeveloped countries on a coordinated, multilateral basis, with full regard to the rate at which those countries are able to absorb our aid effectively and efficiently.

The guideposts for such improvements are contained in our report and in the bill itself. We have every hope that they will be heeded and utilized wisely by the Executive.

Apart from this, however, there is one very important fact we must bear in mind: whatever shortcomings are still in evidence in the administration of the Mutual Security Act, they must be corrected. But the presence of those shortcomings—frequently very human shortcomings—does not and should not justify anyone's action in voting against this vital program.

The mutual security program is an integral part from foreign policy. It is a vital program. The mutual secu-

rity program rests on certain fundamental principles which—if we concede that they are sound—demand our support of this legislation. These fundamental principles were outlined briefly by the President in his message to the Congress on the mutual security program. I should like to quote them. They are:

1. That peace is a matter of vital concern to all mankind.
2. That to keep peace, the free world must remain defensively strong.
3. That the achievement of peace which is just, depends upon promoting the rate of world economic progress, particularly among the peoples of the less developed nations, which will inspire hope for fulfillment of their aspirations.
4. That the maintenance of the defensive strength of the free world, and help to the less developed but determined and hard working nations, to achieve a reasonable rate of economic growth, are a common responsibility of the free world community.
5. That the United States cannot shirk its responsibility to cooperate with all other free nations in this regard.

If we hold these principles to be true, and if we admit that communism is indeed a threat to our Nation and to the survival of our civilization, then there is but one course we can pursue: we must be willing to continue our sacrifice by supporting the program embodied in the legislation before us.

I believe that the American people realize this and, regardless of party affiliation, want us to enact this legislation which will strengthen our security and the security of the free world.

I may add that not one witness appearing before the Committee on Foreign Affairs has recommended the elimination of the mutual security program.

And therefore, I earnestly hope that the membership of this body, to every last man and woman, will keep this in mind and follow the course dictated by necessity, by reason, and by conscience, when voting on this bill.

There is one last thing I wish to add: In less than 1 month the chiefs of state of the great powers will meet in a summit conference. We may have divided opinion amongst us about the advisability or merit of such a summit meeting. We may have doubts about its usefulness or outcome. But we cannot have a divided opinion about supporting the President of the United States on the issue of our Nation's foreign policy at this crucial time. We must stand together, united in purpose, and determined to strengthen our security, to attain just and lasting peace, and to enlarge the area of freedom in the world.

On this, our Nation must stand together. And this body, representing as it does the people of the United States, must also stand together.

We can do this by giving this vital and necessary legislation our overwhelming support.

Mrs. BOLTON. Mr. Chairman, I yield such time as he may desire to the ranking minority member of the committee, the gentleman from Illinois [Mr. CHIPERFIELD].

(Mr. CHIPERFIELD asked and was given permission to revise and extend his remarks.)

Mr. CHIPERFIELD. Mr. Chairman, I favor the passage of H.R. 11510 commonly referred to as the Mutual Security Act.

I believe this program is necessary for our own security as well as the free world. Since its establishment there has not been a single country to which we have given aid that has gone over to the Communist side.

There has been a cut in authorization request by $136,500,000. This is $41,942,000 less than the amounts appropriated last year for the same items. I think these cuts are justified and show the careful consideration given to the program by the Foreign Affairs Committee.

No one who is familiar with the program can help but realize mistakes have been made. Your Foreign Affairs Committee has recently established a subcommittee for the very purpose of uncovering mistakes and seeing that they are corrected. I am proud to be a member of that subcommittee because I feel it is serving a useful purpose in making the program more efficient.

Last year the committee initiated legislation establishing an Inspector General and Comptroller to evaluate the mutual security operations. This should also be very helpful and their first report and study should be enlightening when it is completed.

I have always thought the military assistance phase of the program is of the utmost importance. Last year we authorized the amounts for military purposes for the fiscal years 1961 and 1962, but the committee again carefully reviewed all the aspects. In my judgment, if it had not been for this phase of the program we would not have been able to contain the Soviets.

One of the reasons we have been able to build up such a tremendous deterrent and retaliatory force for so much less money is because it costs so much less to maintain an allied soldier. Each year it costs the United States, taking into consideration pay allowance, subsistence and individual clothing, $3,859 for every American soldier.

It costs a great deal less to maintain foreign soldiers. For example it costs annually only $167 to maintain a Taiwan serviceman, in Korea $390, in Greece $391, and so forth.

To summarize, between 1950 and 1959 we spent some $384 billion for our own defense. We have almost 900,000 men in the Army, 40,000 aircraft, and 1,600 combatant ships. While for a total expenditure of $179 billion—$23 billion which the United States has spent for all allies since the beginning of the military assistance program and the $156 billion spent by our allies—there are 4.9 million men under arms, 29,000 aircraft, and 2,300 combatant ships.

Mr. Chairman, let us now turn to the field of economic aid. Many feel it is more important than military aid and I believe it is at least of equal importance.

The Sino-Soviet bloc has made credit and grant agreements with some 15 free world countries totaling more than $2 billion. Their goal is to gain control of these countries by economic penetration and then by subversion. It would be folly on our part to ignore this new threat and not take every reasonable step to meet it. To withdraw our support from these economic programs would be to hand over one by one these free countries to the Communists.

I therefore believe both the economic and military programs should be continued for our own self-interest. Without them we might find ourselves standing alone in a hostile world with neither friends nor allies to support us in our resistance to the totalitarian, alien doctrines of the Kremlin. I only hope that we in the Congress have the wisdom to continue the mutual security program and thereby help insure that war is averted.

As President Eisenhower has said:

We must carry forward the never-ending fight for peace, for security, for sound, sane, and progressive government in America.

Mrs. BOLTON. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. ADAIR].

(Mr. ADAIR asked and was given permission to revise and extend his remarks.)

Mr. ADAIR. Mr. Chairman, for those who have not already seen it, I would ask that you give consideration to the statement of minority views expressed by the gentleman from Georgia [Mr. PILCHER], the gentlewoman from Illinois [Mrs. CHURCH], and myself, as set forth beginning at page 109 in the report on this bill. In those views will be found some of our reasons for opposing this bill.

I would further like to call the attention of the committee to a typographical error appearing about the middle of page 109 in these minority views. The figure there stated is "$136,500," whereas it should be "$136,500,000."

Mr. Chairman, as pointed out in those views and as we have suggested through the years, those of us who have been critical of this program certainly do not lack any desire for mutual security in the world, or that there may be mutual understanding, or that people may draw together as individuals in order to establish and maintain a better world and better governments. But my view, Mr. Chairman, is—and I think it is shared by those with whom I joined in the minority report—that this bill as now constituted does not accomplish the objectives for which it is designed.

One of the objections to this bill which we have pointed out this year is the fact that it does need a complete revision and restudy. Those of you who have before you copies of this year's bill will have observed that this year, as heretofore, it is in the form of amendments to existing legislation. Simply by reading this year's proposals one certainly would not have a very complete or very definite idea of what the proposals for the mutual security program are. Therefore, in the committee and otherwise, it was suggested and urged most strongly that we do give thought to a complete revision, a complete rewriting of the pro-

gram. This will have value not only from the technical point of view of making it more understandable to newer Members of this House, but it would cause us, I think, to reexamine the entire program, to correct some of the things which we believe need correcting, and, on the whole, to make a very much better program out of it.

I shall not, Mr. Chairman, attempt to touch upon a great number of the items set forth in our minority views but there is one other factor which is significant and indicative of the growth of the program. That is the way in which this bureaucracy has increased through the years. In the early days of the program, as you will observe in the report, there were something over 2,800 people engaged in this work. Today, according to the best figures which we have available there are 42,000 persons so engaged. This is indicative, I repeat, of the growth of the program, the growth of the bureaucracy which goes along with it.

It has been said here today as it has been said through the years that we do not know how long this program will be with us. And the testimony before the committee, to the distress of some of us, was along that line. But I would like to say to the committee that as long as we keep increasing our personnel who are charged with the administration of such a program at this rate, certainly there is very little prospect of containing it, much less beginning to draw it into more reasonable proportions.

As time has gone on through the years we ask ourselves, what ought to be the responsibility of this country with respect to less developed countries throughout the world? We become aware that many nations which in the past have been beneficiaries of this program no longer need, or no longer need to such an extent, the assistance which it has provided. Not only that, but in a number of instances they are now at the point where in all logic they, themselves, ought to assume a greater portion of the burden. As we have by means of our assistance through the years built up other nations here and there in the world, particularly in Europe, is it not now time that they assume a greater share of the cost of trying to provide assistance to the underdeveloped nations than they have? Is it not time that in this way we give some relief to our own taxpayers?

Finally, Mr. Chairman, there are some things that ought to be said about the Development Loan Fund. Many Members will recall when this Development Loan Fund was established, one of the major arguments used to promote it was that it would decrease the amount of grant aid. It was to be used, as I understood the arguments at that time, for specific projects which were requested by needy countries. In the first place, if Members will note the amount of money asked for grants this year for economic purposes, it is not significantly less than it has been heretofore. So, Mr. Chairman, on that count we find that the Development Loan Fund for which many of us had high hopes—and I must confess I was among those who had hopes for very good things from it—has failed to reduce significantly the amount of money made available or requested for economic grants.

Then there was brought to the attention of the committee by the gentleman from Virginia [Mr. HARDY], the gentleman from Michigan [Mr. MEADER], and others, a practice which has arisen with respect to the Fund. It has become a custom in a number of instances for countries that wanted money to go to the officials of the Fund and ask for an allocation, or the term "earmarking" is generally used—an earmarking of so many dollars. Then after that amount of money was earmarked, if such was the case, it was requested of this country that it provide a list of projects to justify the earmarking.

If there is ever an instance of putting the cart before the horse it seems to me this is it. Instead of coming to the Development Loan Fund and saying, "Here are projects which we think are worthwhile, which are economically feasible, which have a reasonable relationship to the development of our country, and we need so many dollars for them," in a great many instances, I repeat, the shoe has been put on the other foot, the money has been requested and it has been set aside or allocated and then a search has been begun for adequate projects. This is not only unfair to the Fund itself but it may deprive other nations, which have projects ready to go and which are desirable and in need of funding, of moneys simply because the funds are earmarked for another purpose, although they may not be used for a long time in the future.

Mr. Chairman, for these and many other reasons I feel that the program advanced this year, as in previous years, is not one which will assure the mutual security of the peoples and the nations of the world. Therefore, I register my opposition to it.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield.

Mr. CURTIS of Missouri. I notice in the minority report on pages 112, 113, and 114 a breakdown of the unexpended funds. Previously the minority views have had an estimate of the entire amounts of unexpended funds not in just this one program but also under Public Law 480, the Development Loan Fund, the Export-Import Bank, the offshore program, and whatever we might be doing through NATO and SEATO. Has not a study been made of this program in the context of the whole area of the economics of the countries abroad?

Mr. ADAIR. Such a study has been made, not to the extent we would perhaps have wished because of time and conflicts. The studies that were made resulted in conflicting figures being presented to the committee.

Mr. CURTIS of Missouri. There is nothing in the majority report and there is nothing here. Things like Public Law 480 and the offshore procurement ought to be somewhere in this report. How can the House act intelligently on a report like this?

Mr. ADAIR. The minority tried to approach that problem by including toward the back of our report various tables relating to projects undertaken since 1951 in certain countries. Some of those countries were visited by a study mission last year.

Mr. CURTIS of Missouri. But those were all under the mutual security program, were they not?

Mr. ADAIR. Yes. Of course, Public Law 480 does not fall within the jurisdiction of our committee.

Mr. CURTIS of Missouri. In order to study this matter intelligently your committee should have known what is being done in another area on identically the same program. In the Committee on Ways and Means we get another aspect of this on bills to encourage investment abroad. It is important to know how far those are going. There has been a slogan of "Trade, not aid." I happen to be in favor of that. Also, as the gentleman has pointed out, where aid is given we have argued that it should be loans and not grants. In order to deal with this intelligently we have to know what is being done in the private sector through trade. We have to know what is being done in the area of loans and we certainly have to know what is being done in the area of grants.

Mr. ADAIR. I would like to say to the gentleman, this is a point which has been discussed many times around the committee table. There is a feeling among almost all members of the committee, that this broad program has been too much fragmented. Many of us feel it should be brought back together under the Committee on Foreign Affairs so that we could get the overall view to which the gentleman has just made reference. I think his is a very valid objection, and it is one which we are trying to correct.

Mr. CURTIS of Missouri. I appreciate that, but I took the floor of the House last time and previous to that and tried to point out the questions that I thought had to be answered, if we are going to deal with this program intelligently. I agree it should be under one committee, but it is not under one committee and, certainly, this committee ought at least to know what is being done in these other areas, otherwise it is meaningless.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield.

Mr. JUDD. Will not the gentleman agree that this is one of the reasons the committee voted in previous years to put at least the economic parts of this program under the Under Secretary of State for Economic Affairs as a coordinator, and that it put on the board of the Development Loan Fund the head of the Export-Import Bank and various other U.S. lending agencies in an effort to get the grant and the loan programs and the short-term and the long-term programs all put together so that we could have that kind of coordinated operation?

Mr. ADAIR. I certainly would agree with that. I repeat, as I said a few moments ago, to the gentleman from Missouri, that this is one of the things that has bothered us because of the dif-

ficulty of bringing all aspects of it together so that a complete and comprehensive look could be taken at all these related programs.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. GALLAGHER].

(Mr. GALLAGHER asked and was given permission to revise and extend his remarks.)

Mr. GALLAGHER. Mr. Chairman, at the outset I would like to pay tribute to our distinguished chairman for his untiring work and preparation and listening to the various witness and in the conduct of our hearings as well as for his patient understanding of all of the members of our committee on both sides including the minority group who filed their report after a patient review of all the facts involved. All of us are certainly aware of the fact that we do live in an age of challenge and an age of tragedy, and, perhaps, an age equally affording of opportunity. We find our world today subject to two magnetic poles of political persuasion—one of the Communist way of life and, the other the way of democracy and freedom. Caught between these two polls of political peruasion are more than a billion people, lost and bewildered, trying to find their own way.

Soon there will be over 100 countries in the United Nations. They are in various stages of political development. Some are basically primitive, but each is conscious enough and desirous of world peace and understanding to send a delegate to the United Nations as a symbol of international status. This consciousness is coupled with an awareness of the political facts of life. Each is seeking a better way of life for its citizens and each is drawn by the magnetic pull of democracy on one hand and the lure of communism on the other. The former offers a slower means to a higher standard of living and productivity, but with freedom. The latter promises the revolutionary progress of the Soviet Union and China at the expense of freedom.

Some of their struggles are new and some are old. Here today, as we open debate and consideration for this mutual security bill, we serve notice on all that we are aware of their struggles, that we are aware of our position of leadership and we are desirous of extending the hand of friendship to all who seek freedom.

Leadership incurs obligations and responsibility. The greatest responsibility that we have is not only to face squarely the ominous hulking threat of communism but, even more important, to face squarely the need to protect freedom for no other reason than the cause of freedom.

And so in this bill we serve a twofold purpose. We maintain our strength to discourage Communist adventurers seeking cheap conquests. But more than that, we serve notice that we recorgnize the old struggles and the new; in the ancient civilizations of Asia and in the new societies of Africa. We demonstrate a willingness to help those less fortunate as we offer our hand of assistance to the underdeveloped nations and underprivileged peoples.

We have an opportunity by passage of this bill to say to all that we seek nothing in the world except to help others enjoy not only the blessing of freedom, but the fruits of freedom.

Our understanding and desire to assist others has made America the greatest Nation in history. It is not our military might, but our ideals that have given us this greatness. By affirmative action on this vital legislation, we shall insure that, on the graph of history, that the 1960's will show the United States still on the ascendency.

In this unrelenting war to stem the threats of communism and thus secure our own freedom and that of other free nations, there is no second place. The decision as to whether freedom or slavery shall prevail, rests not with the Soviet. This decision rests within ourselves.

There is no shortcut to victory in open conflict or in cold war. To gain and to keep our place in the sun has taken the sacrifice of life and treasure in two great wars.

To maintain our position requires further sacrifice, fortunately not in blood or life. This cannot be done with any promise of a reduction in taxes. Continued requirements for expenditures of money is not an appealing subject for anyone in public office to advocate, but this is a matter so grave that we fail in our duty if we approach it with less than a realistic and mature determination. If we do not, and should we allow ourselves to be fooled into a feeling of self-serving complacency, we may find that the leadership has passed from the United States, and with it has passed man's right to be free.

These, then, are the stakes, not a demagogic, impossible promise of a reduction of taxation if this bill is defeated, but a renewed faith in our system and ourselves to remain free by acting responsibly and maturely by voting for the passage of the mutual security program.

Mrs. BOLTON. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. JACKSON].

(Mr. JACKSON asked and was given permission to revise and extend his remarks.)

Mr. JACKSON. Mr. Chairman, at this time I should like to pay my respects to the distinguished chairman of the Committee on Foreign Affairs and to those who have so ably handled this measure on the minority side. I have had the privilege of serving with a number of chairmen during my tenure in the House. I would say, in all fairness and in all honesty, that never have I served with one of greater understanding, who is fairer, or who conducts the committee with greater dedication to the common purpose. I have lived with the Mutual Security Act for 10 years, since its original inception in the 80th Congress. I have known that there have been imperfections in the program in many cases. I have realized that there has been at times a waste of money, but on balance it has appeared to me that during the course of these 10 years the investment we have made in the future of a world has been an investment well made.

As the gentleman who preceded me so well said, we live in an uncertain world of uncertain peoples at the present time. Furthermore, we expect to live in that world for many years to come. This great conflict between a free world and slave may not be resolved during our lifetime. There are emerging on the world today new nations which must necessarily span that great space of time between the oxcart and the missile within a period of a few months or a few years.

For them to emerge into the colonalism of the Soviets from the old colonialism to which their peoples objected would, in my opinion, be one of the great tragedies of our day.

I appreciate the sincere and honest conviction of those who oppose the measure and who have very succinctly set forth their viewpoints in the minority report. I know they are no less dedicated to a world at peace, to a world in which our system will prove to be the system by which the destiny of many peoples will be achieved, but in this instance I cannot go as far as they do in their disagreements.

My great concern, Mr. Chairman, has been whether or not the things we have done as a nation, the physical and financial resources we have poured forth without stint, have actually made a lasting and a deep impression upon those people we were trying to assist; and until last year this remained in my mind a great question mark. Then the President of the United States took an unprecedented journey. He went into many lands where we have spent our resources. The outpouring of men and women, many of whom in rags lining by the hundred of thousands the routes which he traversed caused me to stop for a moment and think, and to believe for the first time that what we have tried to do has reached the people we were trying to help. The same routes which the President followed had been traveled or were subsequently traveled by Mr. Khrushchev, and in spite of all the promises of delivery of assistance by the Soviets to these people—and in some few instances, to be perfectly honest, the delivery of some material supplies—there was no point along their respective trails where the President of the United States did not receive a warmhearted welcome from these millions of people upon whom we have lavished our largesse to the end that they might in time with our assistance achieve some measure of the things which we all consider to have been responsible for the growth of our great Nation.

Mr. Chairman, I support the bill.

Mr. MORGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Chairman, under the 5-minute rule I intend to offer an amendment to provide that no assistance authorized in the bill shall be given to Yugoslavia. The approval of my amend-

ment will stop the use of U.S. funds to further the cause of the international Communist conspiracy.

In the debates on foreign aid in the past, I presented ample evidence concerning the Communist government of Yugoslavia to demonstrate that it was by no means pursuing a policy of national independence or defying and fighting Moscow, the center of the Communist world conspiracy, or that it was in any considerable way and manner helping the United States in the pursuit of a foregin policy of freedom. On the contrary, all the material presented pointed to two basic conclusions: first, that Communist Yugoslavia was part of the Communist world conspiracy, and second, that assistance of any kind to that country was against the best interests of the United States.

It is not a matter of debate but a matter of incontrovertible fact that in the past 12 months the Communists have not changed their basic objectives, nor has their attitude undergone any favorable development in the sense of a compromise with the free world. On the contrary, the Communists, encouraged by their successes, have pressed their offensive in all areas of the world. Adhering to their basic law that the Marxist-Leninist teachings are only a "guide to action" for the conquest of the world, they have used the most diverse weapons to promote that offensive. The slogans of peace and coexistence, visits by leading officials, cultural exchange programs, subversive propaganda, and training of hundreds and thousands of young people at Communist schools for subversion and revolution—all these and many more methods have been used in various parts of the world according to the conditions prevailing in the areas where they were operating. It is thus of the greatest importance to realize the main lines of the Communist world strategy and to take the proper steps to defeat Communist purposes, and to safeguard the national interests of the United States, as well as to promote the cause of freedom.

Let us first establish what are the basic traits of our foreign policy as formulated by our responsible representatives. The Mutual Security Act states explicitly that its purpose is "to advance the cause of freedom." It also states that "peace in the world increasingly depends on wider recognition of the dignity and interdependence of men; and that the survival of free institutions in the United States can best be assured in a worldwide atmosphere of expanded freedom." It finally states that "the Congress recognizes that the peace of the world and the security of the United States are endangered so long as international communism and the nations it controls continue by threat of military action, by the use of economic pressure, and by internal subversion, or other means to attempt to bring under their domination peoples now free and independent and continue to deny the rights of freedom and self-government to peoples and nations once free but now subject to such domination."

The Mutual Security Act also lists 10 general conditions which various countries have to fulfill in order to be eligible to receive assistance from the United States. Besides it states three specific conditions concerning Yugoslavia:

> The President shall continuously assure himself (1) that Yugoslavia continues to maintain its independence, (2) that Yugoslavia is not participating in any policy or program for the Communist conquest of the world, and (3) that the furnishing of such assistance is in the interest of the national security of the United States.

It is my considered opinion, based on the examination of the foreign policy of Communist Yugoslavia, that Tito's regime has failed to fulfill any of the general or specific requirements for receiving U.S. aid.

Yugoslavia does not pursue an independent policy. The Croatian Communist leader, Vladimir Bakaric, stated on April 7, 1959:

> We are Communists and will behave like Communists. We contend that around the banner of socialism wider circles and greater parts of mankind are rallying. These forces are checking the might of imperialism and we must find ways to strengthen them and help them.

According to Bakaric the struggle of the Communists in Yugoslavia was "the best contribution to the strengthening of the international Communist movement and the victory of communism in the world."

At the celebration of the 40th anniversary of the Communist Party of Yugoslavia on April 19, 1959, Tito declared:

> Yugoslavia has been and remained a component part of the world movement toward socialism, it has * * * become one of the active factors in the modern development of the international workers movement and the anti-imperialist forces in general.
>
> We Yugoslav Communists consider that the further development of the international situation will follow * * * the line of growth in all countries of those forces which will carry the historical development in the direction of the strengthening of socialism on a world scale.
>
> We are justifiably proud of our glorious past and our present activity in the building of socialism in our country, and also of the contribution which we are giving to the development of socialism in the world.

On May 6, 1959, the First Vice President of Communist Yugoslavia, Edvard Kardelj, analyzed the differences between the Yugoslav Communists and other Communist regimes, and stressed that they were only an expression of the present phase of Socialist development and not any national specific trait of Yugoslavia. He stressed that the Yugoslav Communists were not nationalists nor had they opposed one dogma by another dogma. He stated:

> We are not against what in the Socialist camp is socialistic, what in it strengthens Socialist solidarity, but we are only against some elements of concrete policy * * * against some tactical forms in the international policy of socialism * * * which in our opinion do not contribute to the full and adequate affirmation of socialism which would correspond to its actual present strength. We are steadfast not only in the building of socialism but in the defense of the principles of Socialist solidarity.

Those basic conceptions are also expressed by the Yugoslav Communist press which consider Communist Yugoslavia as "part of the global world striving toward socialism"—Politika, Belgrade Daily of July 2, 1959.

Communist Yugoslavia has regularly and regardless of its diplomatic relations with the Soviet Union, celebrated with utmost devotion and enthusiasm the Bolshevik revolution in Russia of 1917. This was emphatically so in 1959. Jovan Veselinov, President of the Peoples Parliament of Serbia, declared on October 25:

> The Communist movement in Yugoslavia from its inception to the present day was and has remained a component part of the international workers movement and all progressive forces in the world.
>
> In our struggle for national liberation and revolution our warriors and our peoples fought for their independence and a new Yugoslavia. But in the course of all that military struggle they felt like soldiers of the international workers movement. On our military caps was and remain the five-pointed star, symbol of the international proletariat. Beside our national banners above the heads of our fighters also flew the red banner under which workers have been fighting in all countries since the beginning of the modern workers movement. We sang our new national anthem, but even more rang in our mountains and liberated towns the hymn of the proletariat, the "International." On our banners was written the battlecry of the Communist manifesto: "Proletarians of all countries unite."
>
> All this characterizes in the best possible manner the true sense and the ultimate aims of our revolution.

Edvard Kardelj, the chief theoretician of the Communist Party of Yugoslavia and of the Communist regime of Yugoslavia, was also very explicit in his presentation of Communist motives for promoting "peace":

> Socialism doesn't need Bonapartistic wars. The speed with which its forces will develop will increase with the stability of peace and the relaxation of international tensions. * * * It is in this connection that it is understandable that we have given complete support to the recent initiative of the Soviet Premier Khrushchev for general disarmament. * * * We are deeply convinced of the imminence of the victory of socialism in the whole world.

The Yugoslav Communists, far from being an enemy of the Soviet Union, are constantly endeavoring to stress the importance of the Bolshevik revolution and their solidarity with the Bolsheviks. The leading Belgrade daily Politika glorified the Bolshevik revolution in its editorial of November 7, 1959. After stressing that the Soviet Union "is not what it once was" and that Asia "is not what it once was" and that Africa "is not what it once was," it turns to the free world:

> The mightiest capitalist countries also are not what they once were. The crisis becomes deeper, the changes more significant, more frequent, and more inevitable. The strength of socialism is not only in the numerical, material, and military strength of the countries in which revolutionary changes have taken place. The idea of socialism has long ago crossed those limits, regardless of whether they are built of mere material might or of dogmatic schemes which put their trust in power, or rely on it. That is why the ideas of the great October are stronger than the greatest difficulties.
>
> October, as every revolution * * * required sacrifices, but measured by its ideals it was the most humane revolution in the

history of mankind. True to the historic ideals of October, Yugoslav revolutionary socialism remains faithful to the universal striving of the workingman who sees in the victory of socialism the full victory of the noblest ideals of human equality and freedom.

Regarding the relations between Communist Yugoslavia and the Soviet Union, Tito declared on October 14, 1959:

With the Soviet Union * * * our relations are good and we wish that they become the best possible. In foreign policy there are few questions in which we differ or disagree. On all main questions we agree and we have always welcomed the actions of Comrade Khrushchev which had the character of the struggle for peace and the policy of active coexistence. We shall support all actions of the Soviet Union which pertain to disarmament and the relaxation of international tension generally speaking.

During the utterly ruthless and inhuman aggression of Red China in Tibet, the Yugoslav Communists forgot all about national independence and self-determination and stressed "the fact that Tibet is Chinese territory and that all that happens on that territory comes under the competence of the Chinese state and sovereignty." The Yugoslav Communists also celebrated the 10th anniversary of the advent of the Communist power in China. They stressed its "huge historical importance." The Communist revolution had "dealt a mighty blow to imperialism, facilitated the anticolonial struggle of the peoples and enormously strengthened the forces of socialism on a world scale." The "carrier and organizer of the peoples actions and victories was the Communist Party of China. Yugoslavia, a socialist country always approached with the greatest respect the Chinese Revolution and its successes."—Politika, October 1, 1959.

It is highly regrettable, if not tragic, that the free world and especially the United States has failed to take notice of the activities of Communist Yugoslavia in Africa, and the substantial contribution which it is making to the advance of Communist imperialism on that continent.

Yugoslavia took upon itself to credit industrial projects in Ethiopia in the amount of 10 million American dollars. It is no secret that that money came straight from the pockets of American taxpayers. Incidentally, Communist Yugoslavia gave the same sum to Indonesia.

In the course of the last 12 months the Yugoslav Communists have developed in Africa so much activity that it would take volumes to describe them. But they have not even tried to conceal the nature of their activities. As for instance the editorial "The Voice of Africa"—Politika, February 4, 1960—clearly demonstrates, the Yugoslav Communist attitude follows to the letter the precepts of Lenin and Stalin in regard to the undeveloped and "colonial" countries. The Yugoslav Communists never tire stressing the similarity between the "liberating processes" in Africa and the "liberating struggle of the Yugoslav peoples"—Politika, February 4, 1960. The Yugoslav Communists have been very active in Liberia, Sierra Leone, Guinea, Ghana, Nigeria, the Sudan. The purpose of all their contacts was clearly expressed in the Yugoslav press commenting on the independence of the Cameroon:

When Yugoslav leaders and delegations go to west Africa to attend the celebration of the independence of the Cameroon and to visit some African independent states, then it is not only simple courtesy. And it is not courtesy when many African delegations visit Yugoslavia. * * * There is in it deeper sense and symbolism.

Finally, when we consider the attitude of Communist Yugoslavia toward the United States, the developments of the last 12 months only confirm the constant line of their foreign policy, which is to accept whatever assistance they can get from us, but side on all issues with the Soviet Union and the forces hostile to the United States. For instance, the Yugoslav Communist press has consistently praised the regime of Fidel Castro in Cuba and blamed the United States for all the difficulties. According to the Yugoslav press Castro was a man completely dedicated to the best interests of the people of Cuba, while America was only concerned about its material interests. According to Politika, November 8, 1959:

America is a rich and mighty power which shudders at the thought that something is changing in the world. America has been obsessed by efforts to maintain the status quo. Motivated only by its material interests the United States has opposed the ideals for which it once fought and upon which it was founded.

I must regretfully come to the conclusion that our policy of assisting the Communist regime of Yugoslavia is based on arguments, assertions, and claims which are devoid of any factual basis and fly in the face of the basic elements of Yugoslav foreign policy.

For that reason I am firmly convinced that by giving assistance to Communist Yugoslavia we would be aiding and abetting the Communist world conspiracy which is trying to destroy our country, and we would be serving the vile aims and purposes of the Soviet Union, Red China and all Communists.

In the House on June 15 of last year, I set forth an analysis of the activities of Tito and the Yugoslav Communist Party which proves conclusively that Tito is not only wholeheartedly participating in the world conspiracy of international communism, but is doing everything within his power to bring about the victory of world communism to which he is dedicated.

Under unanimous consent granted, my remarks on the floor of the House June 15, 1959, follow:

Mr. FEIGHAN. Mr. Chairman, in the foreign-aid bill which is now before us, there is a provision which would allow the continuation of military and economic aid to the Communist regime of Yugoslavia. This is an issue which disturbs many Members of Congress. On the one hand we are compelled to spend billions of dollars for an adequate national defense, along with additional billions of dollars in foreign aid, all because of the threat to our survival caused by the conspiracy of communism. On the other hand, Congress now finds itself in the contradictory position of being asked to authorize public funds for the strengthening of Tito and his Communist regime in Yugoslavia.

Since its beginning in 1948 I have been a strong supporter of the foreign-aid program. I did so because of my conviction that we serve our own best interests when we assist free and friendly governments to become strong enough to resist internal Communist subversion and militarily prepared to stand up to armed Communist aggression. In the spirit of seeking to preserve a foreign-aid program which would further these original purposes I have engaged in extensive research on the question of where Tito and his regime stand in relation to the international Communist conspiracy which is headed by the Russian imperialists. In this work I have had the assistance of other Americans who have made firsthand studies of Titoism and have personally observed the present Yugoslav scene. Linguists have assisted in the translation of numerous documents and speeches from Russian, Serbian, Slovene, and Croatian into English.

A year ago I presented to the House the results of that study, which many Members of Congress found interesting and edifying.

In the year which has elapsed, Tito's policy has remained the same and our policy toward Tito has—unfortunately—remained the same. Since that policy is based on an indefensible attitude of ignoring the basic facts of the Tito case and since that policy is harming our national interests, I would like to present here again the main findings of the study of a year ago, which have been brought up to date by the most important facts and developments from May 1958 to June 1959.

WHAT IS TITO'S POLICY?

In the course of the last 12 months the promoters of Tito and Titoism as an allegedly "different," better, "democratic," and "independent" brand of communism have pursued with undiminished fervor and disregard for facts, their nefarious work. The best answer to that unrelenting campaign of glorification of a ruthless Communist is to confront it with the incontrovertible facts of Tito's political record of the last few years, which are these:

First, the reconciliation between Moscow and Tito in May–June 1955 during Khrushchev's and Bulganin's visit to Tito took place only after Tito did a unique service to the cause of Communist imperialism by carrying to Asia the message of different, independent, and national communism in 1952–53 and 1954–55. In the course of that campaign Tito openly and repeatedly whitewashed the new Russian leaders, Khrushchev and Bulganin, from all Stalinist crimes and proclaimed them different, well-meaning, peace-loving coexistentialists. It was only after that and on the ground of such services rendered to Communist imperialism, that the Russian leaders came to Belgrade to apologize to Tito and to acknowledge Communist Yugoslavia's right to a separate road to socialism.

Second, during the visit of the late Secretary of State Dulles to Yugoslavia in November 1955, Tito took a stand on the question of Moscow's European satellites diametrically opposed to the U.S. stand. Our position was that they deserved complete freedom from Moscow's domination. Tito's position was identical with Moscow's stand: That the satellites were already free and independent under communism.

Third. At the 20th Congress of the Communist Party of the Soviet Union in February 1956, Khrushchev not only pronounced his violent denunciation of Stalin, but also enunciated three important new points of doctrine: First, that war between Communist and Capitalist countries was not

inevitable; second, that the downfall of capitalism, and the victory of socialism were not necessarily to be achieved through violence; third, that various roads and forms of transition to socialism were to be generally recognized for all countries. The important point for our analysis is that those three sensational innovations were neither invented by Moscow alone, nor imposed by Tito, but a result of common Russian-Yugoslav efforts and theoretical work achieved through a number of contributions, such as by Bebler, 1949; Seleznev, 1951; Piyade, 1952; Stalin, 1952; and Molotov, 1956; to name only a few.

Fourth. In June 1956 Tito visited the Soviet Union and sealed his reconciliation with Moscow with new, unequivocal and most emphatic expressions of Communist solidarity. He said that the Yugoslav Communists had never failed in their international Communist duties and obligations; he called the Russian Communists brothers-in-arms and he declared that Communist Yugoslavia and the Soviet Union would march shoulder to shoulder in time of war as in time of peace toward the same goal, the goal of the victory of socialism.

Fifth. On his way back to Yugoslavia, Tito stopped in Bucharest and in an interview with Western newspapermen declared that it was improper to use the term "satellite" when referring to Moscow's colonies in central Europe since the Rumanians were self-governing people.

Sixth. In September and October 1956 Khrushchev and Tito, after a series of airplane flights from the Soviet Union to Yugoslavia and from Yugoslavia to the Crimea, and consultations with a great many European Communists, agreed upon a common plan for the promotion of independent communism. The plan was tried first in Poland, with temporary success, since Gomulka, a ruthless, veteran Communist, was posed as a Polish nationalist and champion of Polish independence. In Hungary the experiment failed, since both Khrushchev and Tito heavily miscalculated with Gero and Kadar, neither of these men could be built into nationalists or Titos because of the open contempt which the Hungarian people had for them.

Seventh. Khrushchev intervened with the brutal use of Russian military might to put down the Hungarian freedom revolution. At that time, Tito spoke of Stalinist mistakes, praised Khrushchev as an anti-Stalinist and justified the Russian intervention, which had, as he said, "saved Hungary for socialism." As for Kadar, Tito said that he was "that which is most honest in Hungary." Everyone knows that Kadar is one of the most detested Russian stooges in Hungary.

Eighth. In January 1957, after Khrushchev had twice in the course of 2 weeks hailed Stalin as a model Communist, a delegation of Yugoslav Communists visited Poland and praised the two Russian-Yugoslav declarations—Belgrade, 1955, and Moscow, 1956—as important and basic, and condemned Western imperialists for what they claimed were attempts to sow dissension in the ranks of the international workers' movement and disrupt it.

Ninth. In February 1958 the Yugoslav press joined Marshal Zhukov and the Russian press in denunciation of President Eisenhower's Middle East doctrine as what they considered an expression of imperialist and colonial concepts and at the same time ridiculed any talk of a danger of Communist aggression in that area.

Tenth. At approximately the same time Tito and Khrushchev executed a strategic maneuver of the joint Russian-Yugoslav agreement. Yugoslavia inquired in Washington whether the United States was going to supply them with more jet planes or not. Then Moscow started criticizing some very subtle point of Yugoslavia's allegedly national communism to show that Russian-Yugoslav relations were strained. Then the Yugoslav Ambassador in Moscow brought Tito a personal message from Khrushchev suggesting that it would be better to discontinue all open polemics and settle all questions amicably within the Communist hierarchy. The prearranged message was received with great enthusiasm by Tito. After that, Tito's friends in the free world, particularly in Washington, could argue that it was obviously necessary to give jets to Tito to prevent his reconciliation with Khrushchev. Other Western supporters of Tito frantically called for help to Tito, claiming that the Russian-Yugoslav relations were as strained as in 1948 and the West should help Tito maintain his independence.

Eleventh. The Yugoslav press unanimously denounced as imperialistic America's membership in the military committee of the Baghdad Pact, in March 1957.

Twelfth. After realizing that his hopes of visiting the United States as a guest of the U.S. Government were finally shattered by the public outcry against it in the United States, Tito declared that Yugoslavia could not possibly pursue a unilateral policy. He then proclaimed:

"We must have good relations with the eastern countries regardless of some minor differences of ideological character."

Thirteenth. Shortly after Khrushchev has prophesied that our grandchildren would live in a Socialist United States, Tito declared that he had come "to the deep conviction that any sharpening of issues between Yugoslavia and the Soviet Union was completely senseless. It is impossible not to have good relations with those countries which are closest to us." He accused some people and newspapers in the West of attempting to put Yugoslavia on bad terms with the Soviet Union. Tito set the record straight again in the following statement:

"But we have no reason to have bad relations with them. * * * We are bound by the same goal; socialism. * * * Therefore, when they achieve successes, we should rejoice; as well as they should rejoice when we progress. Consequently, there is no reason for any conflict."

Fourteenth. To some visitors from Germany—end of June 1957—Tito said about Stalin that he was "crafty and dangerous, but a great man."

Fifteenth. In August 1957, after Tito had allegedly in his CBS–TV interview—June 30, 1957—sided with Red China and taken exception to some statements of Khrushchev, the Soviet Union granted Tito $250 million in credit to be used for the construction of an aluminum factory, a hydroelectric plant and a fertilizer factory. At the same time Tito took sterner measures against Western newspapermen accused of slanting their news from Yugoslavia against what he called Socialist democratic order.

Sixteenth. On August 3, 1957, Tito met with Khrushchev in Rumania and concluded an agreement on the basic problems of the international situation. They reconfirmed their joint resolutions of 1955 and 1956 as the basis for the further development of their mutual relations as well as the relations of all Socialist countries and they reached full understanding on concrete forms of cooperation between the two Communist Parties.

Seventeenth. In August 1957 the Yugoslav press accused the United States of violating the Korean truce agreement, while completely exonerating the North Koreans and Communist Chinese, both of whom had been condemned as aggressors by action of the United Nations.

Tito welcomed Ho Chi Minh, an old comintern agent who is now Russian proconsul in North Vietnam, to Yugoslavia and agreed with him on the necessity of discontinuing all nuclear tests. Some Western observers thought they had detected a serious conflict between Moscow and Tito, in the literary and artistic sphere.

The Yugoslav press, which a few months before had greeted Mao Tse-tung's slogan in favor of the blooming of all flowers and schools of thought, defended his ruthless extermination of the Red Chinese regime's enemies as a necessary measure of self-criticism.

Eighteenth. In September Gomulka, Cyrankiewicz, Rapacky, and Ochab, the leaders of the Communist Party of Poland met with Tito, Kardelj, Rankovic, and Vukmanovic, the leaders of so-called independent Yugoslavia. But instead of demonstrating anti-Russian defiance, which the free press had expected, they stressed their fundamental ideological identity on the basis of socialism and proletarian internationalism, very aptly defined as the Communist term for accepting Russian leadership and following all political directives given by the Soviet Union and the Soviet Communist Party, according to the New York Times, December 9, 1957. Gomulka emphasized Communist dominated Poland's solidarity with the Soviet Union, "the first and mightiest socialist country," as well as with Red China. He also said since Poland and Yugoslavia were building socialism according to their specific conditions this made them members of the great socialist family. Polish-Yugoslav cooperation was thus cleared up as a contribution to the strengthening of the Communist movement in the world. Gomulka stated his opposition to the forces of colonialism which he claimed were interfering in the affairs of countries of the Socialist bloc.

Tito wholeheartedly responded:

"We know what we want and we are doing our best to realize it. * * * We are Communists—we collaborate with the Soviet Union. When we speak of separate roads to socialism, that should not be tawen literally, i.e., in the sense that we have a separate road in every respect, in all things. We have many things in common. All of us have the revolutionary inspiration from the great October revolution, which gave us the elements upon which we built what we have today. We are led by the principles of Marxism-Leninism. Today we must do everything which is in accordance with our internationalist obligations."

Tito stressed the great contribution of the Soviet Union to the success of socialism in the world and added that he did not see in general among all Socialist countries any elements which would stand in the way of constructive Socialist cooperation. Tito then explicitly shattered the Western illusion of Polish and Yugoslav national communism, when he said:

"I wish, comrades, that Poland and Yugoslavia—which are much criticized for practicing some national communism, which I consider nonsense—ought to show that they have no use for any national communism."

After endorsing all the main points of Soviet foreign policy—ban of thermonuclear weapons, division of Germany, recognition of the Oder Neisse Polish border, Soviet stand on the Middle East, admission of Red China to the U.N., a status quo—Tito ridiculed those who had expected that a meeting of Polish and Yugoslav Communists would lead to a weakening of the Communist world movement. On the contrary, he said, those two countries had the duty to work for the closest possible cooperation between all Socialist countries and moreover the "active coexistence between countries and peoples with different social systems was profitable to the further development of socialism."

Finally, he proclaimed that former or future Russian-Yugoslav dissensions should not be dramatized, relations between Socialist countries should be such as to give

mighty impetus toward creating confidence in the Soviet Union in the whole world.

Nineteenth. On September 20 the Belgrade daily Politika, organ of the Communist Party, published an article which Tito had written for the Foreign Affairs magazine—October issue. In this article, Tito first assailed the lack of confidence with which every move of the Russian leaders was met in the West. He put the blame on the West for the present uneasy international situation which he claimed was characterized by "encirclement, war threats, and aggressive attempts to isolate the Soviet Union."

The NATO has no justification, according to this Tito article. It is a matter of growing distrust and deepening rift between the East and the West. As for the Warsaw Pact, it was of a purely defensive nature and it would cease to exist as soon as NATO was disbanded.

As for the Middle East, Tito assailed free countries for what he called the "policy of interference in the internal affairs of the Arab countries," and particularly the Eisenhower doctrine. Tito added:

"I consider that the present policy of the colonial powers toward the peoples of Africa and Asia is wrong and that it represents a latent danger for war conflicts."

After pleading for the admission of Red China in the U.N., Tito tackled the most delicate question of Communist Yugoslavia's position in the world:

"In the West the question is often asked and various answers are suggested regarding where Yugoslavia stands and where it will stand. The reason for such guesswork lies in the fact that Yugoslavia is a Socialist country, that it is building socialism. Therefore, people in the West think her goal is the same as the goal of the Soviet Union and other countries of the East. Yes, it is true that our goal is the same."

Twentieth. In October, Tito's Communist regime recognized the satellite regime of East Germany and on October 19 Western Germany broke diplomatic relations with Tito. By this act Tito gave additional evidence of his firm adherence to the Moscow line.

Twenty-first. The recognition of East Germany by Tito was the last straw to break the patience of Tito's friends in the free world, who now warned him in very solemn terms that, unless he pulled himself together, he would certainly lose the support, military, if not economic, of the free world. So, a few days after Yugoslavia's recognition of East Germany it was announced that Tito would not go to Moscow to attend the celebration of the 40th anniversary of the Bolshevik revolution.

Twenty-second. While Tito's friends and supporters did their best to convince public opinion of the free world that once again great tensions had developed between Moscow and Communist Yugoslavia, Kardelj, the first vice president of Communist Yugoslavia, and the head of the official Yugoslav delegation to the Russian celebrations of the 40th anniversary of the Bolshevik revolution, spoke Tito's mind in Moscow. He said:

"Together with you (Russians) we are building relations of friendship and cooperation, based on the great idea of proletarian internationalism. * * * The Yugoslav Communists are delighted at every success of the Soviet peoples, because their victory means a gain for socialism in the whole world."

Rankovic, Tito's chief of the secret police, made similar speeches, stressing the "indissoluble links between our revolution and the great October revolution."

Twenty-third. The celebrations of the 40th anniversary of the Bolshevik revolution comprised, among other activities, a meeting of the heads of all Communist countries, November 14–16, 1957, and a meeting of the representatives of all Communist Parties in the world, November 16–19, 1957. From the first a declaration was issued, which the Yugoslav delegation did not sign. From the second a peace manifesto was issued, which Yugoslavia signed, along with the representatives of 63 other Communist Parties.

Tito's refusal to go to Moscow and his refusal to sign the Moscow declaration were used in an effort to impose on public opinion of the free world the idea that the Russian-Yugoslav relations were constantly burdened by heavy tensions and basic disagreements. Such an interpretation can by not stretch of imagination stand the test of the pertinent facts of the matter.

As far as the declaration is concerned, Tito himself declared in an interview with Mr. Sulzberger of the New York Times—February 28, 1957, published on March 6, 1957—that Yugoslavia refused to sign that document not because of disagreement, but because the document could not contribute to the lessening of world tensions and especially because Yugoslavia was directly involved in some points. At the same time Tito declared that Yugoslavia's refusal to sign that document was nothing tragic and that Yugoslav-Russian cooperation would not suffer because of that.

The Moscow declaration does not contain anything that could possibly cause any serious disagreement between Yugoslavia and the Russians. On the contrary, the declaration contained all the theoretical points evoked jointly and solemnly proclaimed by Moscow and Tito ever since 1955. It spoke of the "tremendous growth of the forces of socialism" in the world. It attacked the U.S. so-called positions of strength policy; it stressed "complete equality, respect for territorial integrity, state independence, and sovereignty, and noninterference" in the relations between socialist states; it stressed the solidarity of all Communist countries, pursuing Marxist-Leninist international policy and "combining internationalism with patriotism;" it especially pointed to the necessity of applying the "principles of communism in keeping with the specific features" of every country.

Moreover, it reiterated and developed the basic thesis of the 20th congress of the Communist Party of the Soviet Union in a manner which was clearly recognizable in the draft of the new program of the Communist Party of Yugoslavia presented at its 7th congress in April 1958, with accent on the two basic points, first, that socialism had made such progress in the world that in the future the socialist revolution could be achieved by peaceful means and state power could be won without civil war; second, preparing for any eventuality, the declaration emphasized the old Leninist thesis that the use of violence depended ultimately not on the Communists but on its enemies. If the reactionary circles capitulated, violence would be unnecessary. If they fought back, the transition from capitalism to socialism would be nonpeaceful.

From this development it is now clear that the main document coming out of the Moscow celebrations was not the declaration, but the peace manifesto, which endorsed every major foreign policy proposal of the Soviet Union (New York Times, Nov. 23, 1957). While based on the same premises as the declaration the peace manifesto was sharper and more aggressive. It hailed the fact that the land of the Soviets is no longer alone and isolated and praised its relentless struggle for peace, especially in view of the warmongering attitude of the Western ruling circles which were "under pressure by monopolies, especially those of the United States." This is the document Tito agreed to and which was signed by the Yugoslav Communists.

Twenty-fourth. Only a few days later, Kliment Voroshilov, President of the Soviet Union, sent a congratulatory telegram to Tito, on the 14th anniversary of the Communist takeover of Yugoslavia, in which he spoke of the "brotherly cooperation between our countries based on unity of aims."

Twenty-fifth. In his New Year's message of 1958 Tito declared that "some colonial powers cannot accept the idea that the time of colonialism has passed." Tito thus associates himself in the Russian propaganda campaign to smear the Western powers as colonial and imperialists. He condemned the American reaction to the sputniks. He stated that while the whole world took them simply as a great contribution to the scientific progress of mankind, the United States saw in them a war challenge which required military countermeasures.

Finally he denounced the NATO Conference for concerning itself with military matter instead of what he regards as peace.

Twenty-sixth. On January 18, 1958, the French military authorities seized off the coast of Oran a 150-ton Yugoslav shipment of arms to the Algerian rebels.

Twenty-seventh. One week later Tito, speaking at the Congress of the People's Youth of Yugoslavia, denied that Yugoslavia was smuggling arms, but at the same time declared that "as Communists, the Communist leaders at Yugoslavia sympathize with all the colonial people who want to be masters on their own soil."

Twenty-eighth. The newly elected president of Tito's Communist youth movement made this pronouncement:

"I especially want to emphasize for our comrades from the Arab countries, our comrades from Indonesia, our comrades from India, our comrades from various parts of the globe who are fighting for their national independence, who are fighting against colonialism, that the People's Youth of Yugoslavia will always stand with them."

Twenty-ninth. The Yugoslav press played up the 10th anniversary of the Russian subjugation of Czechoslovakia with this theme, "Socialist Yugoslavia always rejoiced at the successes of the peoples of Czechoslovakia in the struggle for socialism."

Thirtieth. Tito's interview with Mr. Sulzberger of the New York Times is certainly one of the most edifying exposures of Communist Yugoslavia, in which Tito mercilessly shattered all the premises of western Titoism. He proclaimed the military value of the vaunted Balkan pact as reduced to zero, he said that Yugoslavia felt threatened by the creation of U.S. missile bases in Italy, he explained Yugoslavia's recognition of East Germany as a natural consequence of the Yugoslav policy of coexistence. He said that it was impossible for any country today to be neutral. As for national communism, he declared: "I must say that there is no national communism. Yugoslavia Communists are also internationalists. The whole thing is that various countries which are building socialism have different conditions under which the new system is being built. That does not mean that the systems are different, but only that there are differences in the roads which lead to the same Socialist system. As far as our international obligations as Communists are concerned, I must say the Communists of Yugoslavia have never failed to fulfill them."

As for Stalin, Tito declared:

"Of course, I met and admired Stalin. * * * I still esteem some of his qualities."

Thirty-first. In his so-called electoral speech of March 16, 1957, Tito praised the Communist method of electing representatives as truly democratic, whereas the method of the West was the opposite, since there, "the people, the voters, have no part in determining who will be their candidate."

He was full of sympathy for the colonial peoples. He branded the attitude of the United States on the events in Indonesia as warmongering and hypocritical. As for the

summit conference, he entirely approved of the Russian strategy, and blamed the West for sabotaging their efforts.

He announced that Russian-Yugoslav relations were good and were developing very well, and the same applied in general to the relations with all Communist countries.

Thirty-second. When Tito, after allegedly struggling with many difficulties and very sensitive problems of his supposedly strained relations with Moscow, addressed the Seventh Congress of the Communist Party of Yugoslavia on April 22, the first thing which he chose to emphasize was that the idea of a crusade against communism was only the work of imperialist aims and colonial subjugation. It was the West which was responsible for the creation of military blocs, which was its answer to the "victory of the Chinese revolution" and to Stalin's inflexible policy. He claimed that the Soviet Union underwent radical changes which exerted a strong influence on the relaxation of international tensions. He then pointed out that as a consequence Russian-Yugoslav relations were closer because the important thing was that "between us there is more confidence; that we understand each other; that there exists a friendly and sincere exchange of opinions and experiences on the basis of which broad cooperation is developing."

Tito rejected criticisms to the effect that the Yugoslav Communists were not internationalists by stressing that internationalism did not depend on some formal adherence or words and propaganda, but on the building socialism in domestic policy and of practicing Marxism-Leninism in international relations. Speaking of the rift with the Russians in 1948, Tito made the very important and revealing statement that the Russian stand created in the world doubts as to the correctness of the policy of a country "that throughout this whole period was a beacon to the international workers' movement." Because of this he said "the revolutionary blade was blunted" and the enemies of socialism, "the international reactionaries," exploited this Communist predicament to the utmost.

Tito praised the work of the 20th Congress of the Communist Party of the Soviet Union, which, together with the Belgrade and Moscow declarations, renewed the confidence in the Socialist forces of the world. Tito also revealed the essence of the new Communist strategy of soft, different communism by explaining that the new line of the 20th Congress and the 1955 and 1956 joint resolutions did not represent a weakening of the Socialist world, "but precisely its opposite—this makes possible the mobilization of all the forces of socialism."

Thirty-third. On the occasion of the 41st anniversary of the Bolshevik revolution in Russia, the Yugoslav Communists were especially cordial in their congratulations and wishes for "new successes in the building of socialism." While some Western newspapers wrote about the alleged seriousness of a new Moscow-Tito rift, the Yugoslav press praised in glowing terms the October revolution. Special prominence was given to Tito's words that "the 7th of November 1917 represents a historical turning point in the life of mankind. That date marks the beginning of the revolutionary process toward the Socialist transformation of the world."

Thirty-fourth. While western Titoists wrote eulogies on the democratic development of Communist Yugoslavia, Tito's regime nationalized, actually confiscated, all real estate in Yugoslavia—December 1958. According to an official spokesman:

"Our road is clear and it leads to socialism and therefore in Yugoslavia private property and private ownership must disappear."

Thirty-fifth. At the height of the concerted campaign of Moscow and Peiping against Tito, the periodical Kommunist, organ of the central committee of the CPY, wrote on January 14, 1959, that Yugoslavia would "continue to support positive diplomatic moves by the Kremlin despite the Soviet bloc campaign against the Tito government."

Thirty-sixth. The true character of Tito's regime was also revealed by the fact, established by the officially appointed Zellerbach Commission on Refugees, that Communist Yugoslavia was "the chief refugee-producing country in Europe today"—March 1959. In the last 2 years nearly 40,000 people escaped from Communist Yugoslavia. Does that indicate that the Yugoslav regime has the support of the people?

Thirty-seventh. In April 1959 the Soviet Communists sent congratulatory telegrams to their Yugoslav comrades, on the 40th anniversary of the founding of the CPY. The Yugoslav Communist leadership seized the occasion to suggest "constructive, comradely discussion," which would "aid the speedier solution of problems facing the international workers movement."

Thirty-eighth. During the celebrations of the 40th anniversary of the CPY, Tito stated that "after the CPSU—Communist Party of the Soviet Union—it was the CPY which most consistently fulfilled its revolutionary role."

"Yugoslavia was and is a component part of the world's movement toward socialism. We Yugoslav Communists consider that the further development of the international situation will follow the line of the growth in all countries of those forces which will carry the historical revolution toward the strengthening of socialism."

Thirty-ninth. The close contacts and coordination of efforts between Moscow and Tito have also been revealed, subtly but unmistakably, in all the recent talks about European economic integration. Khrushchev has on several occasions hinted at the need for a socialist federation which would encompass at least all Communist-ruled countries in Europe. During his recent trip to Albania he spoke of the creation of a "zone of peace" in the Balkans and the Mediterranean. His statements, though not quite precise and concrete, were obviously motivated—as all Soviet policy regarding Berlin, Germany, and Eastern Europe—by the desire of consolidating the existing Communist status quo in half of Europe. While Western observers failed to observe anything, Tito expressed his agreement with the zone-of-peace idea and Kardelj, in his interview with the French weekly, France-Observateur of April 9, 1959, denounced all non-Communist economic integration and strongly pleaded for a "world integration," based on a "program of struggle for socialism."

Fortieth. On May 5, 1959, Kardelj spoke before Yugoslavia's Peoples Front and made these significant remarks:

"The differences between us and some other ruling Communist parties are only the expression of the contradictions which are proper to the whole socialist development, i.e., which do not represent any 'national' specific trait of Yugoslavia.

"Differences have not arisen because we or others were nationalists or people with national limitations, or because we or others would oppose a dogma to another dogma.

"We are not against what in the socialist camp or bloc is socialistic, what keeps the socialist solidarity in it, but we are against some elements of concrete policy. * * * To refuse acceptance of such conception of the bloc does not mean to reject the socialist solidarity, much less to reject socialism itself. It only means that we reject some concrete concepts about the relations between socialist countries * * * because in our opinion, they do not contribute to the full and adequate affirmation of socialism which would correspond to its real present strength. We are consistent not only in the building of socialism but in the defense of the principle of socialist solidarity."

Forty-first. While Kardelj reaffirmed in unmistakable terms the full solidarity of Communist Yugoslavia with Moscow, Tito complained—May 22—about student demonstrations against the regime and declared that "there can be no democracy for those who are enemies of the process of further socialist development in our country."

The facts presented constitute sufficient evidence to support the following conclusions about Tito and where he stands in the international conspiracy of communism:

First. Since 1955, when Tito solemnly reconciled with Moscow, there have been no signs of estrangement or any major strains in Russian-Yugoslav relations. There have been some minor differences in views, but they have always been subordinated by both sides to the common political goal of spreading communism in the world. The Yugoslav foreign minister, Koca Popovic himself declared on April 25, 1958, that Russian-Yugoslav relations "need not be harmed" by those differences.

Second. The artificial creation of situations of tension between Russian and Yugoslavs has become a regular feature of the pattern of Russian-Yugoslav strategy for extracting U.S. dollars. Tito's "estrangement from Moscow" occurs each year just as Congress takes up the foreign aid bill.

Third. Yugoslav foreign policy has not undergone any noticeable change since 1955. Tito's statement of February 1955—upon his return from Asia—that "our polcy has never been different from what it is today" and that it was the same as "6, 7, and 8 years ago—nothing has changed"—is clearer today than it was 4 years ago.

Fourth. In the last few years Tito has worked out jointly with Moscow a new strategy, based on the lessons of the Stalin-Tito break of 1948 and adapted it to the new opportunities which they have created for the spread of communism in the world.

Far from growing further apart ideologically and politically, Tito and Khrushchev have come closer together. Tito has on policy and in practice supported all the most important moves of Russian-Communist foreign policy.

Fifth. Conversely, and necessarily, Tito has constantly taken a stand against the basic principles and moves of the U.S. foreign policy.

Sixth. There can be no talk of any Yugoslav independent foreign policy under its Communist regime. As Tito himself admitted and explained, his foreign policy was only formerly independent, but was actually thoroughly devoted to the promotion of precisely the same goal as the Russian foreign policy, supplementing it and spearheading it.

The clash betwen Stalin and Tito on the question of how the cause of communism could be promoted best, led both sides to examine their positions and smooth out their differences. Through combined efforts, Khrushchev and Tito devised a new strategy of equality, independence, noninterference, and separate roads to socialism. Although the hypocrisy of their deal was revealed in the case of the Hungarian revolution of 1956, it is still being used with great success to deceive the free world, to give plausible cover to Communist sympathizers to promote communism by criticizing it and thus promote the interests of Communist imperialism in the most efficient manner.

Seventh. Tito not only is wholeheartedly participating in the world conspiracy of international communism, but is playing a key role in it.

Mr. MORGAN. Mr. Chairman, I yield 20 minutes to the gentleman from Georgia [Mr. PILCHER].

Mr. ADAIR. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-nine Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 50]

Addonizio	Fisher	Morris, N. Mex.
Allen	Fogarty	Moulder
Andersen, Minn.	Ford	Multer
	Gavin	Norblad
Anderson, Mont.	Grant	O'Hara, Mich.
	Green, Oreg.	Powell
Auchincloss	Hargis	Prokop
Barden	Herlong	Reece, Tenn.
Barrett	Holifield	Rogers, Tex.
Bass, Tenn.	Horan	Rooney
Bonner	Jones, Ala.	St. George
Boykin	Kearns	Schwengel
Brock	Kelly	Shelley
Broomfield	Keogh	Sheppard
Brown, Mo.	Kilburn	Short
Buckley	King, Utah	Sisk
Burleson	Landrum	Smith, Miss.
Celler	McGinley	Spence
Coffin	McGovern	Springer
Cooley	Mack	Steed
Daddario	Madden	Taylor
Davis, Tenn.	Magnuson	Teague, Tex.
Dawson	Mailliard	Teller
Dent	Meader	Thompson, La.
Derounian	Merrow	Utt
Diggs	Metcalf	Willis
Durham	Mitchell	Withrow
Fallon	Montoya	Young
Fenton	Moorhead	Younger

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. TRIMBLE, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11510, and finding itself without a quorum, he had directed the roll to be called, when 344 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Georgia [Mr. PILCHER] is recognized for 20 minutes.

[Mr. PILCHER addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mrs. BOLTON. Mr. Chairman, I yield 20 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I am happy to have the chance to follow my distinguished friend, the gentleman from Georgia [Mr. PILCHER]. He has pointed out one side of the picture, a side which has been true in a greater degree in the past than it is now, and his remarks I hope will help us further to improve the situation. But I must make one or two comments about the specific instances that he mentioned, and then try to get the whole picture in larger focus.

For example, let me refer to a report I made to the House in 1956, when a study mission came back from a previous trip to the same areas in Asia. I am so sorry that the gentleman from Georgia could not have been on one of those earlier trips, for example, to Vietnam, in 1953 and 1955, because if he had seen the country then, he would have found this time that the program there with all its shortcomings has accomplished one of the greatest and most unbelievable miracles in all history. Maybe the doctors did almost everything wrong and wasted some of the blood transfusions; but they saved the patient's life—the patient whom almost nobody gave any hope of survival as late as 1955. He saw the bad features. I, too, saw them and deplore them. We saw the failure of some crash programs that were put into operation in an emergency. Maybe if we had had then all of the safeguards that we now have in the Mutual Security Act and in this bill the bad projects would not have been started—but, very possibly also, the patient would be dead. This is the main point that we need to keep in mind.

Here is what I said on the floor of this House in the debate on the mutual security bill 4 years ago.

> In many countries we are doing too many things. And we are trying to do them too fast. * * * In countries that are hanging on by a thread, why not simplify the program to the 10 or 15 life-or-death essentials? If the country makes it for 5 years, then we can go ahead with more elaborate developments. The immediate need is the basic programs. Too much beyond them only scatters our efforts, complicates our operations and confuses the people.

In a minority report which I submitted after my trip with the gentleman from Georgia [Mr. PILCHER] last year, I quoted this earlier statement and added:

> There is little evidence that much heed was given to such advice. Yet I believe events have demonstrated its soundness.
>
> I have been disappointed at the emphasis in many places on the big and spectacular, with too little emphasis on the smaller and simpler projects, closer to the people.

Mr. Chairman, the gentleman from Georgia made a very eloquent speech on behalf of the kind of simpler program that missionaries working in rural areas learned many, many decades ago is the most effective. For 10 years I lived in the interior of China where I was the only physician at one time for about 17 million people. I could perhaps, have gone to Shanghai or Peiping or other larger centers, but I preferred to work out in the grassroots areas because I believed rural areas are the best place and way to bring better health and better education and better agriculture and greater confidence and hope to the people of a relatively undeveloped country.

Too often the earlier ICA programs were like big superstructures without the necessary sound and solid foundations.

But the few bad projects discussed today were almost all started back in 1955, 1956 or 1957. The represent some of the wreckage of the beginning years, but no such ill-considered projects have been approved and started in recent years, since those countries got on their feet a little and were not in such urgent dangers from within and without.

Each year our committee has adopted additional measures or refinements designed to correct demonstrated deficiencies. We hope the amendments in the present bill will further tighten up and improve the methods by which ICA carries on its operations.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. HAYS. The gentleman has stated there has been bad administration. The committee has made recommendations which the gentleman says he is disappointed to see no attention was paid to. How are we going to ever make these people do what the Congress wants them to do? Does the gentleman have any idea?

Mr. JUDD. Yes. For example, the provision we adopted a couple of years ago, section 517, requiring that they not embark on a new project above $100,000 without thorough and careful engineering and technical studies ahead of time with cost estimates and financial plans. These can be followed out better where there are stable governments. Sometimes in the earlier years when a government was hanging on the edge of disaster, they had to do things more quickly and with less study.

Mr. HAYS. I appreciate what the gentleman says about 517, because that was my original amendment.

Mr. JUDD. That is right and it has proved sound.

Mr. HAYS. I have long advocated that the Congress set up a watchdog group in the Committee on Foreign Affairs to see that they do follow 517. I believe that is the only way we will ever get them to do it.

Mr. JUDD. The gentleman knows that I also am in support of that proposal. May I add that we set up in the Marshall Plan legislation in 1948, a joint House and Senate watchdog committee to do that very thing. I must admit that very few of the members on that committee ever read the reports regularly and completely. They were all too busy. How can there be a real watchdog committee of the Congress if the Members are so busy that they do not have a chance to study the reports in detail, day in and day out? A watchdog committee would not unearth all the situations that should be unearthed, but it would expose more of them, and earlier, than has been the case heretofore. I have long felt that our committee ought to have a larger staff, especially of investigators. We do not have a fraction of the staff that the Committee on Government Operations properly has. Those who make policies in this field should have a staff large and good enough to be able to point out to us where the policies that we formulate are not being followed. I have advocated that for years, but, in part because of space limitations on the gallery floor where the Committee on Foreign Affairs is located, we have not developed such a staff.

Reluctantly I must take issue, and I wish I did not have to, with something which the gentleman from Georgia [Mr. PILCHER], my distinguished friend—and the longer you travel with him the more affection you have for him—said about the President of Vietnam, because I do not believe it should be left to stand in the RECORD unexplained. He said we were rebuffed in Saigon by the President of Vietnam, but he did not tell the whole

story. The original rebuff was based on misinformation that had come to the President from the Washington newspaper our colleague mentioned. The news story went out from Washington that the Pilcher subcommittee, with all of our names given, was coming to Vietnam to investigate the Vietnamese Government; going to hold hearings there, take testimony under oath, and so on. What did the President do? He did what any self-respecting head of a government would do under such circumstances. He did not have a red carpet out to receive us. Four members of his Cabinet had already accepted invitations to come to a dinner to be given by our Ambassador. The acceptances were withdrawn.

Now, suppose the London Times came out with a story that a Royal Commission of the British Government was coming to Washington to investigate and hold hearings here on actions of the U.S. Government or the Congress of the United States. There would be high dudgeon in our country and I doubt that our President or the Congress would send a welcoming party.

The President of Vietnam told our Ambassador it would be improper for him to entertain a committee that was going to investigate his government, because that would obviously look as if he were trying to influence that committee in his favor. Was that not a normal and proper reaction?

As soon as it was made clear to the President that the news story was inaccurate, that we were merely one of the regular subcommittees of the Foreign Affairs Committee that go around the world observing all these various projects every year when Congress is not in session, that we were not going to hold hearings on the Vietnamese Government, but were primarily concerned in studying the operations there of our own agency, ICA, it set things in the proper light; and I must say I never knew any Chief of State to do so much to correct a situation when it developed that the facts were not as the newspapers had reported them. He did three special things.

The first was to have a general fly some hundred miles to be where we were going to be the next morning, in order to receive us with an honor guard, and have our chairman review that guard, which our Embassy said was the biggest honor guard it had ever seen turned out for any visiting dignitaries to Vietnam.

Second, the four Cabinet members who had withdrawn their acceptances to the Embassy dinner, called to reaccept. Furthermore, he indicated that since we seemed to be particularly interested in agriculture, he would like to send a fifth Cabinet member also, the Minister of Agriculture. Any Asian would understand this as a gesture of special significance.

Then the President went still further. He sent word that he would like to have us call on him at any time most convenient to us on the following day, and to talk with him as long as we wanted to. Imagine the President of a country giving a group of visiting Congressmen control of his entire day. I do not know how any one could be more gracious. The original action was quite correct in my opinion, on the basis of the information he had, from an American newspaper. When he found the information was inaccurate, he apologized. I must say I thought we Americans ought to be equally gracious and accept the apology.

You have heard about the radio towers, and what a fiasco they turned out to be. But there is more to the story. When the Government of Vietnam first asked for the towers, the idea was to set up a shortwave broadcasting system that would blanket the whole of southeast Asia. President Diem felt that he ought to alert all its peoples to the Communist menace as he had come to know it firsthand. But when it became clear that this was not necessary, and that not many in that area had shortwave sets with which to hear, and that his first job was to get his own country under control, he realized Vietnam did not need a broadcasting station of that size or character, so the plan was canceled, after the towers had been received. It was turned down as a mistaken concept. Does anyone contend that he and ICA should have gone through with it just because it had been started—adding still more waste? But we must keep our eyes on the main fact. Despite some waste and unwise efforts, the program overall is succeeding in what it was designed to do. It has succeeded thus far in every single country where we have given this kind of aid. Not one of them has gone behind the Iron Curtain and without this aid, nobody can deny that a great many of them would have been completely lost already.

This, however, is not the thing I wanted to talk about today. I am sorry for the diversion.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. I would say to the gentleman that I have had the pleasure of making several trips with him, two around the world and one to the Far East. I would not take issue with all that the gentleman has said about the value of this aid but I certainly could not agree that the President of South Vietnam apologized and I certainly would not agree that in the years since 1955, the radio towers could not have been used for a smaller but vital radio project. But I am not going to enter into an argument with the gentleman. During our recent trip, a great deal of criticism developed about certain specific projects that the gentleman viewed. I wonder if he would not tell us a word or two about those projects, particularly the one in Laos, that some of us have not had the privilege of seeing.

Mr. JUDD. I think I know the one the gentlewoman has in mind, and I will describe it, but I must still emphasize that there have been 20 good projects to 1 such bad project.

This is one that made me sick. The amount of money involved was not great, but the principle was inexcusable. When Laos got its independence in 1955, it did not have a currency of its own, it did not have a bank, it did not have a mile of surfaced road, it did not have anyone experienced in foreign trade, it did not have a budget, it did not have any tax system. The French had supported the whole of the armed forces and the police force. Then the French moved out. The country faced almost the most impossible task ever taken on by any people, and wholly unprepared for it.

I may say that the State Department, as the gentlemen from Wisconsin [Mr. ZABLOCKI] will testify, came before our subcommittee on the Far East and said: "We do not know whether the prospects are good enough to justfy an effort to save it or not." Buy if you look at the map, you see that Laos is almost as long as the State of Minnesota, pushing down between Vietnam on one side and Burma and Thailand on the other side. If Laos goes down the whole of southeast Asia soon collapses. We said we thought we had to make an effort. So we tried. Actually, it is astonishing how much progress has been made. Some waste and mistakes were inevitable. But how explain one like this? I wanted to visit a teachers training school in the capital, Vietiam, that we had visited in 1953. There was not a school in the country above the 6th grade, and in that little school we had watched youngsters of 16 or 17 years, just out of the 6th grade, being trained to go out and teach other children up to the 6th grade. I wanted to see it now and to find out how much it had progressed. Well, they are setting up a new teachers' training institute, as we had recommended in 1955 that they do. They have one building already built. The American in charge was very proud of it. It is sensibly built. When he showed me the various classrooms, we came to a classroom with about 40 individual armchairs in it. There were two others like it.

I had seen another school in a Buddhist temple that the Lao were operating themselves. They had tables like you find at picnic places along the highway, with a top of plain boards and then boards on either side to sit on. That is all they ever had at home, except when they sit on their haunches. What more elaborate was needed for Lao right out of the villages?

In these classrooms, believe it or not, they had the best student chairs I have ever seen. I got through college with old wooden seats with an arm on the side on which to take notes, and most of you did the same. But these were the latest model expensive individual chairs from Grand Rapids, Mich. They were made of high grade wood with walnut-finished veneer. They had an adjustable back, the arm was supported by a stainless steel shank and was adjustable so that it could swing around or be moved up and down.

Now, the only way you can get goods to Laos is to ship them by boat to Bangkok, Thailand, and then over a rickety railway some 400 miles to Vientiane. It costs, as I recall, about $16 a ton freight to get it to Vientiane after it arrives in Bangkok. There is plenty of wood and cheap labor in Laos. Why should any-

one send to Grand Rapids, Mich., to get study chairs for students in Laos, that I do not think are surpassed or equaled in a dozen colleges in the United States, pay all that freight on it, and accustom students to using equipment so unlike anything they have ever known, or will have again in their own environment? Why buy unnecessary foreign things that they are not used to, and make them less likely to want to go back to their villages and help their own people? Who asked for such chairs, I do not know. Who approved such a request, I do not know. It is small, but it is significant. I condemn such things as unqualifiedly as anybody can.

But I am not going to let anything draw my focus of attention away from the main things in this program. We are in a war for survival and we have to keep these countries going, if possible; give them greater capacity to defend their independence. Without this program, most of them do not have a chance.

So this debate today, Mr. Chairman, is not about whether we are to continue the mutual security program. We have got to carry it on. Our whole defense posture is based on the bases and the armed forces around the world, some 4.5 million soldiers, that the program makes possible. It is not this or something better. It is this or nothing. The question is not whether; the question is how—how to make the program more effective and how much is necessary.

I think it has improved enormously in certain areas and in some respects. I was disappointed in other areas that not enough improvement has taken place.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from North Carolina.

Mr. JONAS. Will the gentleman give us some examples of the good projects? We have heard a lot of criticism.

Mr. JUDD. Yes; let me give one. The gentleman from Georgia [Mr. PILCHER] spoke of the Joint Commission on Rural Reconstruction—JCRR—in China. I am proud of that, because I was the author of it in title IV of the Marshall Plan Act of 1948. There were three important things in the name itself. First, it is a joint commission. There are three Chinese appointed by the Chinese President and two Americans appointed by the American President. The Chairman is a Chinese. They work things out together. They have to proceed at a place that the Chinese members believe is acceptable and understandable by their people.

They know their own people better than we do. Our members contribute some things which the Chinese members cannot; they contribute some that we cannot. In these 10 years there has never been a single issue on which there was a major split between the three Chinese on one side and the two Americans on the other. Sometimes the two American experts did not agree as to the proper course to follow; and sometimes the Chinese disagreed among themselves. It is a joint operation.

Second, it is rural. That is where 90 percent of the people are—in the country.

Third, it starts with reconstruction. They were demoralized and their society shattered at the end of the war. You cannot go ahead with fancy improvements or reforms until you get a foundation rebuilt on which people feel reasonably at home and secure. They will grow from there.

The result is that after 10 years of work, at relatively little cost, Formosa has become the showcase in the Far East. More aid has gotten to the common people, and they appreciate it. Less has gone into extravagances. There is a smaller gap between the poor and the rich. There is great industry and pride among the people, almost pride in their austerity. They know they are doing a good job. They have self-confidence. They exported something like $50 million last year more than they imported. And, if they did not have to maintain, with our approval, some 600,000 men in their armed forces, for the defense not only of Formosa but if necessary, of that whole part of the world, Formosa today would be a self-supporting garden spot. It has become in a few years the second largest producer of sugar in the world, second only to Cuba. There are little clinics in each of the approximately 300 counties, vaccinations against smallpox and other diseases, measures for elimination of rinderpest, control of hog cholera and other animal and plant diseases. Ninety-three percent of the youngsters are in school and good teachers are being trained for them. Fifty percent were illiterate only 10 years ago. This is the kind of pattern that has been outstandingly successful in every sense.

Mention was made of the Shihmen Dam. The Shihmen Dam, already half completed will produce about 80,000 kilowatts of electricity plus irrigation. Its benefit-to-cost ratio is 1.4 to 1. The gentleman from North Carolina is on the Appropriations Committee, and he knows how few of the many projects here at home for which we appropriate money have that high a benefit-to-cost ratio.

I agree that we Americans out there are just as we are at home. We like big things; we want to build monuments; we want enormous and fast development—at the top. Often we have not been willing to get down to the grass roots as we ought to, and as a result we do not go as fast at the top as we could. This is the kind of searching study that your committee tries to make. We want to accomplish more at less cost. The real way to save money is not to cut out the program but to cut the waste out of the program. The way to save is to make the program succeed. We will not be able to do it by cutting funds below the optimum needed. That would be to abandon the world and abandon ourselves. As it succeeds and countries are able to develop, the amount will be reduced, naturally.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Is it not true that, in addition to the bill under consideration, there is $1,250 million outstanding from last year in an authorization to the Development Loan Fund? And is it not true also that the Foreign Affairs Committee and the Congress last year removed entirely the ceiling on the military assistance program? Therefore, in addition to the bill under consideration the budget is requesting $2.7 billion that heretofore was carried in this bill, which was authorized last year. So this could be the highest request received in recent years, if they use all of the authorizations that are outstanding. Is that a statement of fact?

Mr. JUDD. That is a statement of fact. And, I myself think that it was right and proper last year to change the policy whereby every year we voted an authorization for the military, and instead put our military assistance to other countries right into competition with appropriations for our own defense forces. Oftentimes Members would get up and say, "Of course the Pentagon favors military assistance to others as long as it is in addition to funds for our own forces. But if the funds for others should mean less for our own, then they will oppose funds for others. Put the two together and we will find out what they really think about the value of military assistance."

Let me read from page 18 of the report what Secretary of Defense Gates had to say on this:

> I know of no more forceful way to emphasize the essential role played by military assistance in assuring the security of this Nation than to cite this fact: Our Joint Chiefs of Staff have recently said, with complete unanimity, that they would not want $1 added to the defense budget for 1961 if that dollar had to come out of our recommended military assistance program.

Mr. PASSMAN. Mr. Chairman, if the gentleman will yield again, I wish to ask how could this be competitive when the Defense Department administers both programs? It is known that in many instances if the Defense Department overstocks, it disposes of the surplus material through the military assistance phase of the mutual security program. This is done at a price sometimes as much as 200 percent of the original cost, and provides, in effect, a new appropriation for the Department's own use.

Mr. JUDD. The gentleman has had a very great and vast experience with bureaucracies in this Government. The gentleman knows that the Pentagon bureaucracies will take all that they can for themselves, unless they genuinely believe that to get more for their own operations, their own forces, at the expense of foreign aid, would cripple seriously the overall defenses of the United States. When they put foreign aid on a par with funds for our own forces, I am certain that such foreign aid is giving us full value, and is not a waste or giveaway.

Mr. Chairman, I must say just a little, before I conclude, about what I originally intended to discuss. I had hoped to talk about facts and figures in this bill, but I did not get to them. Let me sketch the overall situation in which we find ourselves. Fifteen years ago, at the end of the war, there was chaos and disaster,

poverty, and impending collapse in many parts of the world. We concentrated on Europe. That was understandable. It had the greatest potential power. Our ancestors came from there. It also was easier to do. We merely had to restore a wrecked industrial plant; they had the skills. So we started the Marshall plan for Europe and it succeeded.

How many at that time thought that Italy and Greece, Austria, and even France were going to be able to pull through? We put our minds and our resources to it, we developed a fundamentally sound program, although with a lot of waste, to be sure, and we succeeded.

During that period, we tried to disengage ourselves from even more difficult problems elsewhere. We said that we were not going to have any involvement in China. We withdrew our forces from Korea, inviting the attack we wanted to avoid. We did not make any effort to save Asia, comparable to the efforts in Europe. Then came the Korean attack. We recognized that the loss of Asia would be disastrous, even to our efforts in Europe. So, belatedly, 10 years ago, we started the same kind of program in Asia, adjusted to local conditions there. Well, we are succeeding there too. The corner has been turned in Asia. It is almost unbelievable, to people who have lived there in the past, to see those countries now. Almost without exception they are better off economically; they are better off militarily; they are better off politically. Some are not much more than holding their own and one or two, possibly, have gone back. But, by and large, that whole area, which was in mortal danger of being lost to the Communists, has been saved.

Let me use my hand as a rough map of Asia. China is the palm of the hand. It has 14 fingers, peninsulas and island groups, running out from it from Japan and Korea through Formosa, the Philippines, 6 countries in south Asia and 4 across the southern border of China; Burma, India, Pakistan, Afghanistan.

Mr. Lenin, almost 40 years ago, said that the way to Paris is through Peiping and Calcutta. The Communists did not forget.

Day before yesterday the baseball season opened. To get China for the Communists, was to get on first base. A man runs to first base—in order to get to second base. Second base is the 14 countries around China in which live one-third of the people of the world. That is what the Communists want, and what we must not let them get. China is a deficit country, except for manpower. Where are the great natural resources, the riches of Asia? In these southern peninsulas, where there are tin, oil, rubber, and rice surpluses. What else do they need? They need industry. There it is in the Japan finger. If, in addition to the Chinese manpower and central base, they can get the resources of southeast Asia and the industry of Japan, they will have the greatest potential industrial complex in the world.

What is our foreign policy in Asia trying to accomplish? It is trying to keep Red China from getting to second base. Of course we wolud like to pick off the man on first base too. Everybody tends to talk about and focus attention on Communist China. We can not do much about that directly for the present. The main task is, do not let Red China get to second base. He will die on first base eventually, if we do not let him get to second base. The foreign aid program is what has enabled the second base countries to stay free all these years.

If communism gets to second base, does it stop? No; it drives for third base, the Middle East and Europe. And then it heads for home plate, which is, of course, the United States.

This is the overall setting in which we have to consider this program. It is complicated by the fact that since the war 33 new countries have come into being, through the Balkanization of old empires. These countries are new. Their peoples for the most part are inexperienced in self-government. They do not have a sound or developed economy. They do not have trained defense forces. Illiteracy is high and annual income as low as $30 per capita. They do not have people trained to administer. We complain about bureaucrats here; but try to run a government without a handful of people who understand taxes, budgeting, and accounting. These 33 countries cannot make it without a lot of friendly advice and assistance, especially technical training and moral support.

In addition to the 33 new countries that have attained independence, 10 old, established countries have lost their independence; mature peoples, with magnificent histories, and traditions, have been absorbed into the Communist empire.

The problem consists, first, of the strength and the unity of the Communists. They know what they want. There is not the slightest evidence that they have deviated a single iota from their planned objective of getting control of the world by one method or another; perhaps I should say by one method and another. Second, is the weakness of all these new countries—mostly in Asia and Africa. And third, is the disunity and division among the older and stronger countries, mostly of the West.

Naturally, the strategy of the Communists is to subvert the weak and divide the strong. Naturally, our policy has to be, Do not let them divide the strong, and do not let them subvert the weak, if we can help it. If we can hold England and Germany and France and Italy and so on, together with Canada and ourselves, we can confront them with military strength that will deter aggression.

How can we keep them from subverting the weak? Help the weak become strong.

This is what the mutual security program is designed to do.

First. Do not let the Communists win any more victories—political, economic, diplomatic, military—that will make them stronger and make others lose faith and confidence in us so they are forced to come to terms with Communist China, for instance.

Second. Do not let them divide the strong, if we can keep their attention focused on essential things.

Third. Help the weak become strong.

Let us work as hard as we can to tighten up, to improve the administration of mutual security, as we have tried to do in the bills of the last 2 years, and as I think we have done in this bill. But, in the midst of the difficulties, do not forget that the program has succeeded thus far in what we set out to do: increase the capacity of people to maintain their own independence and to begin to improve the living conditions of their people.

It has saved us billions of dollars—net. Because without this program we would have had to increase our own Armed Forces to such greater proportions, if we want to live as free men, that it would make the cost of this program seem small by comparison.

It is, indeed, a heavy burden to appropriate $3 billion or $4 billion each year for mutual security, but without mutual security our burden would be far heavier. Our choice is not between this and something less costly, it is between this and something more costly. Knock this out or cripple it, and we shall have to increase enormously our own budget for arms here at home, plus American boys to carry and man the weapons.

Overall the program has been brilliantly successful these last 12 years. The patient is stronger fundamentally. Now we have to clean up those organs that have some TB, or cancer, or infection, or paralysis, or wasting away, here and there, so as to make the free world healthier and stronger, until the day comes when the urge of man to be free, within the Communist-dominated countries forces those regimes to make such concessions, or at least to keep so busy at home that they have to give up their dreams and plans of world domination.

Mr. MORGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. HALEY].

Mr. HALEY. Mr. Chairman, regardless of the fine speech that the gentleman has just finished I do not think the moneys we poured into the ratholes of Europe and Asia have ever done this country one bit of good. I think this is the poorest program the American people have ever been called upon to subsidize. I have never voted for it. The gentleman has not convinced me.

Mr. Chairman, I rise in opposition to this bill. While I am aware that we are going to again pass a measure approving the pouring of billions of dollars down the drainpipes of foreign nations, I am more confident than ever that when I oppose continuation of this program, I am speaking the will of the people of this country.

I do not believe that the people of the United States favor further extension of the foreign aid program. Certainly they do not favor extension of the authority of the Government to waste their hard-earned tax dollars in boondoggling projects in 73 nations around the world, with no indication that this country is deriving any tangible benefit in the way of what we call—

hopefully and wishfully—mutual security.

The mail in my office, from the people of my district on the southwest coast of Florida and from people all over my State, shows that in heavy majority, they are not just unhappy about this foreign aid giveaway. They dislike it, and they want to be rid of it.

I believe that if it were possible to conduct a survey of the mail in the office of every Member of this body—yes—in the offices of Members of the other body also, this survey would show that it is the overwhelming sentiment of the people of the United States—the taxpayers of the United States—that we should abandon the program. I would doubt that there is a Member sitting here today, from whatever district he may come, whose mail on this subject indicates that his constituents favor the bill before us.

For that matter, I would doubt that there is a Member sitting in this House this afternoon who is himself satisfied with this bill, or with the program it will extend another year. I do not believe that even the most ardent proponents of continuation of foreign aid are satisfied in their hearts with the program as it exists today. I do not believe that the most sincere of my colleagues who favor a permanent foreign aid program believe that the present bill—authorizing extension of a hodgepodge and a mish-mash—in any way guarantees a program which can be of proven benefit to this country, or, for that matter, to the countries which receive this aid.

There is uneasiness in this Congress about this program. It is a justified uneasiness. It is not a whim from the blue. It is an uneasiness which reflects accurately the current of sentiment, I might even say tide of sentiment, which is sweeping strongly over our entire country, as our people—the people to whom we are responsible—realize not just the burden imposed upon them, but the futility of their assumption of this terrific economic load.

I am so thoroughly convinced of the mounting strength of this tide, Mr. Chairman, that I believe that, if a national referendum could be had on the proposal to continue foreign aid, the proposition would not just be defeated, but would be crushingly defeated.

I am so thoroughly convinced that if I were running for membership in this House against an incumbent who voted for this bill, I would base my campaign on that one vote—and would win, hands down. The tone of my mail from my own constituents is such that I would be ashamed to face them if I should vote to extend this program.

I am sorrowfully persuaded that, even though we all know this program is not what the people want and that it is not accomplishing any material good for the Nation, a sufficient number of you will vote to pass the foreign aid bill. But, I warn you, my colleagues on both sides of the aisle, that the time is running out on foreign aid—that if we pass this bill, we may face public reaction so strong that it will sweep some of you out of office.

But if I am swept out of office—and I do not expect to be—it will not be because I voted for this bill. I shall not vote for it. If I did vote for the bill, I would think that was good and sufficient ground for me to vote even against myself, as the representative of my district, in this year's elections.

This bill represents an attempt to fool the people of the United States. I do not blame this on our colleagues on the Foreign Affairs Committee who have labored long and hard to bring out this bill. But what they have produced is essentially the administration's own bill—prepared not by President Eisenhower but by the staff of that somewhat strange and mysterious agency, the International Cooperation Administration, which will be supported and nurtured by this bill. They are the people who are trying to fool the American public.

The report on this bill which has been handed to us would, at one point, lead us to believe that it is an authorization for only $1.3 billion to carry forward the foreign aid program. At another point, getting somewhat closer to the truth, we are told that the bill authorizes expenditures of $4.1 billion. But nowhere are we told the cold, harsh fact that there are billions of dollars in foreign aid funds which do not even appear in this bill—that the amount of foreign aid funds available for the next fiscal year which are not included in the bill actually exceeds the amount which is included.

I am by profession an accountant, and I have reason to believe that I am a pretty good one. Accountants are supposed to be able to understand and ferret out all manner of twisting and juggling of figures—but I say in all candor that I do not believe there is in this country an accountant who could track down all of the money that we are pouring into this cornucopia, this horn of plenty, that we call mutual security. It may be mutual security, but it certainly is not financial security for the United States.

I am confused by the gobbledygook which surrounds this whole program, and I certainly do not think that the people of our country could be other than confused about it. Last year, for instance, we supposedly made available, by appropriation, $3,225 million for foreign aid. That is what it said in the bill—and that is what the people read in the newspapers.

But what are the facts? The facts are that there was available for foreign aid in the current fiscal year—the year for which we were providing when we took this up last year—a total of $8,111 million. In other words the appropriation we approved, the appropriation that was announced to the world, was only 40 percent—less than half than the amount actually available for the foreign aid spenders.

If the foreign aid administrators already have—in what they fancifully call their pipeline but which actually is their checking account at the Treasury—one and a half times as much money as they come up here and tell us they need to operate the program, it would occur to me, that we could reasonably declare a moratorium for a year or a year and a half on any new appropriations at all.

For myself, I wish we would. That is a mutual security program I could support, because we would, for the first time, be getting something by salvage from this monster. I would doubt, however, that we will have the courage and the wisdom to do what I believe all of us know we should do.

(Mr. HALEY asked and was given permission to revise and extend his remarks.)

Mr. MORGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, I want to congratulate the committee on having included the language which appears on pages 10 and 11 of the bill relating to the standards to be used hereafter in determining the feasibility of water resources development programs under the Mutual Security Act.

As the committee may recall, it was 2 years ago, in 1958, that the gentleman from Oklahoma [Mr. EDMONDSON] and I, along with others, proposed an amendment to this effect. That amendment was adopted by the House but deleted by the Senate.

Unless this provision or something substantially similar appears in the final version of the legislation this year when it comes back to us from the Senate, I do not expect to support the bill at that time.

Like many of you, as I said in 1958 when discussing this particular matter, I have supported this legislation in years past and feel a sense of responsibility to support it again, because I feel that we in the Congress owe something more to the President of the United States than mere carping criticism of his conduct of our international affairs.

I have supported it and feel a continuing sense of responsibility to support it in spite of my own misgivings over certain specific activities carried out under the program and in spite of its unpopularity among many people, because in a world where apparently only the strong may remain free, we need to contribute to the strength of those who sincerely wish to remain free.

Yet there is a complete double standard in the matter of water development projects. There are two entirely different sets of criteria, one for projects in our own country and another for projects which we help finance in foreign lands.

For those who may not be familiar with the language contained in the section to which I refer, it is subsection (2)(b) beginning on page 10 of the bill, and it reads as follows:

(b) All nonmilitary flood control, reclamation and other water and related land resource programs or projects proposed for construction under titles I, II, or III (except sec. 306) of chapter II, under section 400, or under section 451 of this act, shall be examined by qualified engineers, financed under this act, in accordance with the general procedures prescribed in circular A-47 of the Bureau of the Budget, dated December 31, 1952, for flood control, reclamation, and other water and related land resource

programs and projects proposed for construction within the continental limits of the United States of America. In all cases the benefits and costs shall be determined, and a copy of the determination shall be submitted to the Speaker of the House of Representatives and the Foreign Relations Committee, and the Appropriations Committee of the Senate. No such program or project shall be undertaken on which the benefits do not exceed the costs and which does not otherwise meet the standards and criteria uscd in determining the feasibility of flood control, reclamation, and other water and related land resource programs and projects proposed for construction within the continental limits of the United States of America as per circular A–47 of the Bureau of the Budget, dated December 31, 1952.

The purpose of this language is to require flood control, navigation, and water resource developments financed in foreign lands through our mutual security program to comply with the same standards which are so rigidly and inflexibly applied by the administration against domestic flood control, navigation, and water resource developments.

At the present time, there are two yardsticks—as different as night and day. When it comes to our domestic water development needs in the United States, no matter how big or how small the projects, the Bureau of the Budget imposes an arbitrarily rigid and completely inflexible yardstick.

For 3 years now, since devastating floods ravaged two rather large residential areas in my district, I have been feverishly trying to speed up the long, laborious process through which construction of needed flood control works is authorized. The average time lapse between initial authorization and final construction of projects in the United States is 10 years and 8 months, all because of the painstaking detailed step-by-step procedures required for domestic projects.

When it comes to water developments to be financed in foreign lands, there has been no requirement whatever that they be reported individually to the Congress, no requirement that they measure up to the criteria of economic feasibility, absolutely no report on a benefits-to-costs ratio, and no hard and fast requirement whatever that funds be matched locally where local land enhancement and domestic water benefits accrue.

Each of these requirements has been applied with a vengeance by the Bureau of the Budget against every water resource development proposed in the United States. This all-powerful executive Bureau has assumed to itself the right to overrule the Corps of Army Engineers and the duly delegated committees of this Congress. When it comes to water resource developments in the United States, this appointed agency has enormous power, and the full extent of this power is appreciated when we realize this this Bureau caused the President of the United States twice to veto our rivers and harbors bill, passed by such an overwhelming majority by both Houses of the Congress, for the simple reason that the mature judgment of the Congress differed from the hard and arbitrary yardstick applied by this appointive agency in just 3.6 percent of the total financial authorizations in that bill. On one occasion, such a bill was vetoed, even though the Corps of Engineers had officially approved all but six-tenths of 1 percent of the financial authorizations.

Now, contrast that if you will with the complete flexibility and utter lack of financial accountability to the Congress which has characterized water developments in foreign lands financed under this mutual security program by the International Cooperation Administration. In the previous Congress a subcommittee of the House Committee on Government Operations, under the able chairmanship of our respected colleague the gentleman from Virginia [Mr. HARDY], undertook to make a thoroughgoing study of such projects and made some amazing revelations concerning the absolute lack of any yardstick whatever.

Permit me to read a few comments from the report of that House committee upon the annual budget presentation of the ICA:

> The agency possesses almost unlimited flexibility in the transfer of funds. This arises from a combination of the broad authority conferred upon the agency by the basic mutual security legislation, and the absence of specific details (an outgrowth of the illustrative budget) in the annual appropriation acts. Unless this excessive flexibility is curbed, improvement in the mechanics of the budget presentation alone would not assure the Congress that the programs and projects listed therein would be carried out.

Obviously, when these various programs are lumped together into a single package, the ultimate result can be nothing but confusion. Undoubtedly, many of the programs undertaken by the ICA are wholly justifiable from an economic standpoint. Many of them probably are. Perhaps even all of them are. But the point is that it has been utterly impossible for the Congress of the United States to examine the budget presentation of the ICA and to know anything whatever of the economic feasibility of the individual projects therein contemplated.

Our task in attempting to understand and to justify these expenditures is made the more difficult by the practice of this agency in presenting a pure illustrative budget. There is no requirement, as there is in our domestic public works program, that we list the individual projects. Instead, the ICA simply sets forth various activities and types of activities as merely illustrative of the kind of program it intends to carry out.

The lack of congressional control of these funds, indeed the lack of congressional identification of the individual projects contemplated, becomes startlingly apparent. Not only does the ICA operate under the cloak of vagueness, but it enjoys almost unlimited freedom to change its course in midstream, to alter during a fiscal year the direction of its programs, to transfer funds from one project to another, from one country to another, and indeed from one basic type of activity to another.

I should like to quote at this point from the fifth report by the House Committee on Government Operations entitled "Review of the Budget Formulation and Presentation Practices of the International Cooperation Administration":

> Because of the broad authorities conferred upon the agency in the basic mutual security legislation, and since its appropriations are not made on a country or project basis, ICA is not legally bound to hold to the country programs or levels of aid proposed. For example, so long as the funds appropriated for the category "Development assistance" are used for that general purpose, the director can decide not to pursue any of the country programs presented to the Congress, and embark on entirely new programs in a different set of countries. If such new programs cannot be financed entirely from funds available within the appropriate category, ICA can invoke an unusual statutory authority which, within a very broad range, empowers the President to transfer funds between categories (for example, from development assistance to defense support), whenever he considers it necessary to do so in order to meet emergency situations which might arise.
>
> Since such emergencies are frequent, ICA has made it a practice to hold appropriated funds in reserve to meet them. Substantial amounts of funds appropriated on the basis of specific programs are thus immobilized. These funds, when not used for the contingencies for which they were reserved, are released for hasty programing late in the fiscal year for which they were appropriated. This has a deterring effect on the orderly and expeditious use of funds and a retarding effect on advance program planning.

Moreover, the committee concluded that:

> With respect to foreign-aid projects, the budget presentation lacks information on such significant items as the total estimated cost, length of time required for completion, recipient country contributions expected and received, and reasons for delays in execution.

Mr. Chairman, I realize that there must be some flexibility in the administration of the mutual security program if it is to be effective. I know that we must be able to take advantage quickly of situations which suddenly and unexpectedly develop in foreign lands. I realize that we cannot in justice to our own national self-interest handcuff ourselves to a completely inflexible position, and that it is impossible to foresee 12 months ahead exactly what the exigencies of the international situation may be.

I do have the strong feeling, however, that the American people and the American Congress need to understand much more clearly exactly where it is proposed that these dollars will be spent, particularly with regard to development of the economies of foreign nations. This type of development, as characterized by the development of water resources, is not a sudden, hit-or-miss type of undertaking. And it is the height of inconsistency for us to handcuff ourselves to such a completely hidebound and wholly unyielding set of criteria in regard to the development of our own latent resources while having no specific knowledge whatever of the nature or the direction of the proposed developments of an identical character for which we are authorizing expenditures in foreign lands.

For these reasons, I congratulate the committee on having incorporated this language in the bill, substantially as it

was suggested by the gentleman from Oklahoma and myself 2 years ago, and I should like to reiterate that, unless the other body sees fit to retain this language in the final bill, it would not be my intention to support it.

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. BOWLES].

Mr. BOWLES. Mr. Chairman, I rise in strong support of the mutual security legislation. In doing so I realize that mistakes have been made. Indeed, as I listened to the long parade of stories about the mutual security bill I was reminded of the days when I held the Office of Price Administrator and had to hear a similar parade of stories about the OPA. Many were true but after all the complaints were aired, we realized that OPA was still a basic and indispensable program as long as there was a war. As a result, it always had the full support of this Congress.

Similarly, we are discussing a program here today where mistakes are easy to point out. There are obviously too many of them, and they should have been, and must be, corrected. But that fact should not blind us to the major questions with which we are dealing.

I think one reason there is a great deal of confusion about this program is the fact we have been given superficial short-run reasons for what must be a broad, long-term program. Indeed, I am confident that it has been the absence of effective leadership in the field of foreign aid during the past few years which has led to the doubts and confusion which now exist.

Time after time the administration has taken the easiest way out. It has "sold" or attempted to "sell" its annual foreign aid program with the wrong reasons and with an inadequate presentation.

We have been told that foreign aid is needed as long as the Communist menace exists—an argument which demeans our own motives and which fails to recognize that the problems of economic growth, social betterment, and human dignity would be the problems of the 20th century throughout the underdeveloped areas of the world even if Karl Marx had never lived.

We have been told that foreign aid is needed to win friends and influence people to vote on our side at the United Nations or to stick with us in fragile alliances—an argument which neglects the fact that genuine friends cannot be purchased nor can reliable loyalties be based on such shallow grounds.

We have been told that special attention in our aid program should be given to those countries which have the largest local Communist minorities, but this turns a local Communist minority into a natural resource like petroleum or uranium: if you have some Communists, you can get money from us, and if you do not have any Communists, you cannot expect any money.

It is no wonder that Mr. Khrushchev went to Burma and said:

> You should thank us Russians not only for the aid that we give you, but also thank us for the aid the Americans give you because they themselves say that they would not give you this aid if it was not for us Russians.

We have been told that foreign aid is necessary because hungry people once fed will become stalwart supporters of the status quo—an argument which ignores the fact that better fed people in underdeveloped countries may become even more interested in upsetting the status quo unless they are given a sense of participation, identification, and belonging in the context of the societies in which they live.

It is inadequate appeals such as these which have helped to erode our foreign aid program. It has been the failure of our leadership and not the blindness of the American people which has fostered our uncertain attitudes toward foreign aid.

The situation today, more than ever, calls for leadership from the President to clarify America's stake in foreign aid and to expound our real position in connection with this program.

In foreign aid, as in foreign policy, generally, we have one central overriding objective, the creation and maintenance all over the non-Communist world of free societies dedicated to providing growing opportunities for their own people to make their own decisions in determining their own future.

This is the objective which should be stated and restated as the generating motive of American policy: we stand for giving people everywhere the chance to make their own choices. I think the record shows clearly that when people have this chance, they will almost always choose the free way.

There is no evidence yet that any people really prefer communism. People become Communists because they feel forced into it. They become frustrated. They feel there is no other answer. I think it is very important that we remember the vital reasons for our foreign aid effort—to give people the chance to make their own choice.

I would like to refer to the contest between Communist China and democratic India, about which we hear so much. I think this contest illustrates some of our problems in dealing with our foreign aid program.

In China you have a totalitarian government. You have a tremendously dynamic people—650 million of them—crowded in an area with too few natural resources and with militarily soft neighbors on several sides.

This is a classic situation making for aggression. This was the basis of Japanese aggression—too many people, inadequate resources, and soft neighbors. It also was the basis for the aggression of Nazi Germany. There were the same factors—to many people, not enough resources, soft neighbors, and totalitarian leadership.

China has this very situation. Because of her totalitarian government, China is able to save something like 22 percent of her gross national product. This means she can put 22 percent of all the goods and services that she produces back into building up the future of China.

China only consumes about 78 percent of what she produces. On this basis, many people say that China by the year 1970 may be the third industrial nation in the world. China threatens all of Asia just as the gentleman from Minnesota has pointed out.

Over the long haul, the only possible balance to China in Asia is likely to be India.

India through democracy naturally wants to give here people a better and bigger break. India can only save about 8 percent of her gross national product. On that basis, saving only 8 percent for reinvestment against China's 22 percent, India is bound to fall behind, disastrously behind, unless we are prepared to help.

Too many of us are inclined to think, I believe, that these people are not doing enough to help themselves. Let me mention just two examples with which I am personally familiar.

The Bakhra-Nangal Dam in India is the highest dam in the world. It will irrigate some 10 million acres in the northwestern part of India. It will produce 1½ million killowatt-hours of electricity. Not one single American dollar and not one single pound sterling has gone into developing that dam. It has all been done through and by Indian resources, earned in the markets of the world by selling Indian products. This is one of the biggest dams in the world. It is a totally indigenous development and accomplishment as far as capital is concerned. An American engineer, Harvey Slocum, had a great deal to do with it. He is paid $100,000 a year by the Indian Government for his services.

Let me also mention the whole development program in Indian villages. Today three-fourths of the Indian villages have a rural extension program quite similar to our program. It is not nearly as fully developed, of course, but events are moving rapidly to bring a better life to the Indian villages. These developments, too, are almost totally Indian in makeup, organization, and finance.

But the 400 million people of India need help just as other nations need help. They must have it if they are not going to be frustrated and forced to take the totalitarian shortcut—a prospect which would lead us Americans into growing isolation in the struggle with communism.

Inevitably we do many things which are necessarily negative. Most of the things we do around the world have become to a large extent expedient.

There are only a few programs that are vitally creative and constructive. One is the educational and cultural exchange program. Another is the technical assistance program. But most important of all these programs is the development loan program.

There is much criticism of the Development Loan Fund and some of it is justified. But basically I think the DLF is fundamental to building the kind of world we would like to see.

Finally, let me refer to the timidity of those of us who say we cannot afford to do in these coming years the things that clearly we must do. I respectfully disagree with their premise.

America has a gross national production of $500 billion. We are allied with Western Europe with $280 billion more. Opposing us is the Soviet Union, with some $220 billion. If they can afford to move out and maneuver positively in behalf of world communism, certainly we can afford to meet that challenge head-on in behalf of the dignity of man.

I simply cannot accept the recurrent assumption which we hear one day on the floor of this House and the next day from a presidential press conference that foreign aid is an unpopular and politically vulnerable program. Not only the confirmed opponents of foreign aid reiterate this point, but many of the most important and dedicated champions of mutual security seem to operate on this same assumption.

I take strong exception to this proposition. I am impressed with the fact that this is a presidential year and yet there seems to be no temptation for any candidate in either party to adopt an anti-foreign-aid position. I feel completely confident that if a sizable segment of American public opinion was unalterably opposed either in principle or in practice to the concept of foreign aid, one of the aspirants for presidential nomination would surely consider it to be politically profitable for him to espouse this view.

Instead, there is a remarkable degree of unaniminity of opinion on foreign aid among all of the declared candidates and the undeclared possibilities for the presidential nomination.

Both Mr. NIXON and Mr. Rockefeller are on record repeatedly favoring not only the maintenance of the present scale and size of our foreign aid program, but an increase in the scope and effectiveness of this program.

All of the Democratic possibilities—Senators KENNEDY, HUMPHREY, SYMINGTON, and JOHNSON, as well as Governor Stevenson—are likewise fully committed to the importance of foreign aid. Many of these gentlemen have been instrumental in improving the focus and direction of foreign aid over the years. Many of them have proposed new and constructive changes in the foreign aid program with vigor and imagination.

It is hard for me to believe that the leading contenders for the presidential nomination are underestimating the American people. On the contrary, I am sure that they recognize what most other thoughtful observers recognize—that the American people are waiting for leadership, waiting to be challenged.

The thoughtful Members of this body, Republicans and Democrats alike, know that just because this is an election year we have no reason to think that we can afford to take a year off from world affairs. We know that next year our new President, whoever he may be, is likely to stand before us seeking—and justly so—an expansion and a reinvigoration of this concept which is so basic to all of us in the non-Communist world: mutual security.

Mrs. BOLTON. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. BENTLEY].

(Mr. BENTLEY asked and was given permission to revise and extend his remarks.)

Mr. BENTLEY. Mr. Chairman, during the 8 years I have been a Member of the House of Representatives, and also a member of the House Committee on Foreign Affairs, I have lived with this mutual security program at considerable length. This will be the last year I will be appearing in the well of the House to speak on mutual security legislation. I shall miss mutual security legislation in the House very much. I shall miss service on the Foreign Affairs Comtee, the members of which committee have all been more than helpful to me. I want to express my deep appreciation to them.

In the 8 years I have been a committee member, this is one of the first years that I have not collaborated in signing the minority views on the committee report. Instead I have offered supplemental views of my own, and, to those who may be interested, they can be found on page 107. The reason I did that was because I felt that the program, although to my way of thinking is still perhaps sufficient in certain respects, it could still be greatly improved to the point where I could lend it some degree of support.

I feel strongly that the entire program, which, of course, is the basic legislation, the Mutual Security Act of 1954, as amended, is overdue for review. I raised the question in the committee a year ago. Early this year I introduced legislation of my own which would, had it been adopted by the committee, have provided for such a thorough study by our committee. Unfortunately, I suppose the time element of the present session was partly to blame, the committee did not feel able to undertake the research at this time, although I understand certain commitments have been made with respect to such review and study this coming year.

I still would like to see such a review and study of the overall program made this year. For that reason I voted against reporting this bill, H.R. 11510, out of committee, and if a straight recommital motion to send it back to the committee for further study is offered I will feel compelled to support the motion. Should that motion not prevail, I, however, will vote for the passage of this legislation, even though, as I say, there are certain aspects of it that seriously disturb me. Two particular aspects in that respect I would like to dwell on for a few moments, because to me they represent serious deficiencies in what is a program that has great room for improvement but has generally greatly improved over the past several years. I believe in the trend from grants to loans in the field of economic assistance. Credit is due to our committee and other committees of the House with respect to improvement in the administration of the program, an improvement which I certainly hope to see continue in the forthcoming year.

Two areas have concerned me, especially the field of military assistance. Actually, Mr. Chairman, we are not dealing with military assistance here in discussing this bill today. As members of the committee will recall, last year in conference the House conferees agreed to a provision which would provide for an open-end authorization for military assistance for fiscal 1960, 1961, and 1962. Fiscal 1961, of course, is the fiscal year ahead of us. It is the second of those 3 years of open-end military authorization. The third year will still be forthcoming. I will say that it is my intention when the bill is read for amendment to offer an amendment to terminate that open end authorization after fiscal 1961, and to require the Executive to come before our committee next year and seek a new authorization for military expenditures.

The thing that concerns me about military expenditures in the very substantial sums of money that are being spent in various parts of the world for the support and maintenance of certain armed forces in those areas. I hesitate to designate the type of armed forces there are in certain parts of the world as an international armed force or whether they are army, or navy, or air. That is a controversial subject.

Further, there is military assistance going into areas which is in excess of the ability of those areas to use but which has been sent for other reasons than internal security, or regional, or world defense.

I imagine many members of the committee have probably not had time or opportunity to study the hearings before our committee on this legislation, but the hearings, of course, are available. They are very voluminous, some 1,200 pages, 1,100 pages, give or take a few, and, of course, it is impossible for the average member to completely absorb those facts and figures and details in the limited amount of time that has elapsed since the hearings were printed. But I would seriously recommend to anybody who wants to know something about this program, not only currently, but over the past several years, to turn to pages 114 and 115 of the hearings, because on those two pages are listed with respect to the military assistance program the total value of the programs and deliveries through the previous years from 1950 to fiscal 1960 by area and country. I think this is the first time we have ever had an opportunity to break down by amounts military expenditures, and by countries, since I can recall. There may be a question as to whether or not these figures should or should not be released, but they were released by the executive branch, and they are included in the hearings, and those people who are interested in making a study of the military assistance can now do so by the information furnished on pages 114 and 115 of the hearings.

It might be interesting to recall that during the fiscal years 1950 to 1959 we spent on programs and deliveries, on a worldwide basis a total amount of just a little over $26 billion.

This was broken down: Europe had $13.5 billion. I think probably most of

that military assistance to Europe was justified. Those armies are providing a very substantial part of our defense in the NATO area of Western Europe. So I would not begrudge in most respects where the money has been used in Western Europe.

With respect to the Far East, many of the countries in the Far East such as Vietnam and Korea, being on the periphery of Communist Asia, a total amount of $6 billion have been expended between fiscal 1950 and fiscal 1959. I think that in many cases, perhaps not in all, this aid was also justified to a certain extent.

Now, we turn to three other areas which are listed in these charts. In the Near East and South Asia we find a total expenditure for military purposes of $3,769 billion. Again in certain areas, such as Greece and Turkey, I believe that much of this money could be justified. But I question figures such as the $49 million for Iraq. I am afraid we are not getting much return on that now. There is a figure of $12.5 million for Jordan, a figure of $7.5 million for Lebanon, an unknown figure for Saudi Arabia, which is listed here under a half-billion dollars of undistributed funds.

I question the value of all those amounts.

I also question figures for certain countries in Latin America. Take the figure of $16.5 million which we have sent to Cuba in the past few years. How much return are we getting?

I am not going to take the time to review all of these figures. They are available to the Members if they want to take the trouble to look at the hearings. But particularly with respect to Latin America and also the $48.5 million which has been spent in Africa, which areas are not threatened by international communism, I seriously question whether or not a similar amount in economic assistance would not be more desirable, raising the living standards of those people, in place of the large amounts of military aid which I am sorry to report have not been wisely spent. There are certain instances where this money was spent for reasons of internal prestige of this country or that ruler, as I say, reasons completely unrelated to either military security or regional or hemispheric defense.

The other part of the mutual security program which does concern me very much is with respect to the amount of local or soft curreneies which we have been creating not only through this program but through other programs during the past several years. It must be pointed out that the mutual security program while responsible for part of the administration of soft currencies or local currencies is not responsible for all of them. According to the testimony of executive witnesses certain examples of soft currency creation which are not under the supervision of the mutual security program, are things like the Cooley amendment funds, section 104, administered by the Export-Import Bank; funds involved in sales agreements; U.S. funds covering Fulbright grants; building and operations and general expenses of the Government. Nevertheless, the mutual security program does have a responsibility for a large part of the foreign currencies which are created abroad, including those created under Public Law 480.

I stated in my supplemental views that I regret the fact that the Foreign Affairs Committee does not have more jurisdiction over the programs which are responsible for many of these currencies. The reason I say that is because I seriously fear we are in certain cases creating local currencies in such an amount that not only are they far beyond the possible absorption capacity of those countries in the near future, but they also by their presence there tend to stimulate and create inflation in those areas which is the last thing we want.

In the presentation books which we have on the committee tables, for local currency balances which are controlled by the mutual security program as of last June 30th, we have a total amount unexpended as of last June 30th of $1,763,788,000 equivalent in local currencies, which, as I said at the end of the last fiscal year, remain completely unexpended, unused, lying around various parts of the world. Now, I seriously question programs which go to build up these soft currencies, and we have apparently been unable to think of ways adequate for their expenditure.

Mr. Chairman, as I said earlier, there are still serious shortcomings in this program. There are serious deficiencies. All of us, I think, want to improve the program. All of us, I think, who are realistic know that the concept of the program is here to stay regardless of the administration in power after the November elections. Both political parties are committed to this concept. But, I think, to be realistic, we should endeavor to cut out waste and inefficiency wherever possible. We should try to work out means to improve and work for its betterment. And, if we are realistic, I think we have to realize that this program is going to be a part of our foreign policy for some time, and therefore it behooves all of us, people like myself, who have opposed this program, to plead for a review of the program and perhaps to review in some respects their own prior commitments and support the program but at the same time endeavor strongly to point out its shortcomings, its weaknesses, and its deficiencies and work where we can to improve it and strengthen it, because thereby we will be improving our own foreign policy program, which I think we all devoutly hope and pray for.

Mr. Chairman, I very much appreciate the courtesy to speak at this time, because I have a prior commitment I made, but I do intend to be here tomorrow to offer a few amendments to strengthen the program. I particularly appreciate the courtesy of our minority Member, the gentlewoman from Ohio [Mrs. BOLTON] for giving me this time to make these few remarks about the program.

Mr. CURTIS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield to the gentleman from Massachusetts.

Mr. CURTIS of Massachusetts. Just to keep the record straight and emphasize something which the gentleman said, I call attention to the fact that he spent most of his time criticizing the military aid part of this program. Will the gentleman agree that anything that he said on that subject has nothing to do with whether we should approve this particular bill or not, because there is no authorization in this bill for any military aid?

Mr. BENTLEY. I understand, and I pointed out when I made my earlier remarks—perhaps the gentleman did not listen to me—that I intended to offer an amendment to terminate the open end authorization at the end of the current fiscal year.

Mr. CURTIS of Massachusetts. The other point which the gentleman emphasized was the generation of local currency in large amounts. I want to ask the gentleman if most of that does not come from the Public Law 480, 83d Congress, program, which is not within the jurisdiction of the Committee on Foreign Affairs?

Mr. BENTLEY. I certainly agree with the gentleman, but the expenditure of local currency generated by Public Law 480 funds is within the jurisdiction of the mutual security program. So I feel, of course, it is a relative topic to discuss.

Mr. CURTIS of Massachusetts. I thank the gentleman.

Mr. MORGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from South Carolina [Mr. HEMPHILL].

(Mr. HEMPHILL asked and was given permission to revise and extend his remarks.)

Mr. HEMPHILL. Mr. Chairman, when I awoke Tuesday morning and heard on the radio of the rioting and shooting in Korea, I immediately though of the Mutual Security Administration bill the American taxpayer is going to be saddled with again. I wondered how much American tax money was used in the shooting of opponents to Syngman Rhee who want nothing more than free elections, and deserve nothing less. Where are our friends in Korea and who are our friends?

Syngman Rhee is not our friend. No man who claims the association and support of the American people could deny his people free elections and claim that helped America, much less his own country. If he were really our friend he would show the world that that friendship incited and inspired free elections as the political vehicle in Korea, even if it meant the defeat of Syngman Rhee. No. Syngman Rhee loves only Syngman Rhee, and endorses any hpyocrisy to make sure the United States is misled into thinking him a friend.

I greatly admire the people of Korea. They desere much praise and I wish them well. I wish for them democracy, freedom, prosperity, and happiness. I believe in our country helping them in many ways, but I do not believe we are

helping Korea by supporting Syngman Rhee. I believe we are doing the people of Korea a disservice.

Now, some might say that I should not speak as I am not an expert in foreign affairs, much less in Korea. Well, I have been up here 4 years and every expert I have seen is a brainwashed, timid soul. I am an expert on the fact that the people of my district are sick and tired of being taxed for a foreign policy program which has not worked, is not working, and will not work.

Is South Korea to be another Cuba? Why did we not learn the lesson of Batista? I wonder if the hungry of South Korea blame the United States like the hungry of Cuba are being taught to do?

What about Trujillo? Is he doing us any good? I fail to believe he is, he can, or he will.

No my friends, the world knows you cannot buy friends—that is, all the word except the U.S. State Department, and those who champion its pattern of paternity for every nation which has brought about the accelerating decline of American prestige all over the world.

Meanwhile, we spend, and spend, and spend. We continue the patronage of the "Ugly American" all over the world, the most wasteful bureaucracy in the history of the modern world. The riders of the diplomatic cocktail circuits abroad do us daily harm. We have not won a major, or minor, diplomatic victory in the last decade. We have bought trouble for our generation and unjust debt for those to come after us.

We have so few real friends. We interfered in Suez, where we had no business. We thus doublecrossed our longtime friends, France and Britain, alienated or angered most of the Arab world, and angered the Jews. I have heard a little rumor that we pleased some mighty big oil folks that way, that greed had a hand, a stronger hand than diplomacy, a stronger hand than the best interest of the people of the United States.

Then is our foreign policy based on greed? Are certain special interests dictating the terms every year, saying what shall be contained in the so-called mutual security legislation? Mutual security—what a misnomer. Is there any security in losing friends and losing face, more and more, year after year? Is there any security in the gradual loss of hope by the enslaved peoples of the world, such as the Hungarians?

Then, who does this spending benefit? Surely it does not benefit the peoples of the countries, else we would arouse some real friendship. And if it benefits the dictators of the world, can the American people afford the enmity of all those who hate the dictators? Can we afford the spending and the hate? Surely we have the hate, and it is largely our fault.

You know how it is. Your enemies can call you names and say all manner of mean things about you and it does not hurt much. People expect your enemies to run you down. But do some fool or ridiculous or wrongful act yourself and you are judged by that. So it is with the world today. We are in trouble because of what Americans have been doing. The Communists just sit back, spend little, and laugh at our mistakes.

Not one nickel of foreign aid should be voted until this program is revised and reformed to make it honest; maybe then I could vote for it. I would like to substitute consideration for our Latin and South American friends for others who are generating hatred for and suspicion of the American people and their Government.

All of my friends who have been abroad tell me we have few friends there.

No; our mutual security program is a program of retreat, retreat from security retreat from commonsense, retreat from world position. If we are losing—and the Communist gain is our loss—then why continue a program that is a losing proposition? It does not make sense and it is wrong.

I am opposed to further wasting the money of the American people in this program of waste, foolishness, and corruption. I shall vote against this legislation.

I thank the very distinguished and able chairman of the committee for yielding this time to me.

Mr. MORGAN. Mr. Chairman, I yield 8 minutes to the gentleman from New York [Mr. FARBSTEIN].

Mr. FARBSTEIN. Mr. Chairman, I have listened with great interest to some of the statements made here today, especially the criticisms that we heard about the mutual security program. Now, there is no doubt that so long as humans are made of flesh and blood, just so long will there be mistakes. When the millenium arrives, then no longer will we be concerned about the errors that were performed and perhaps will be performed until the end of time. But, I say, let us not burn down the house to get a mouse.

Mr. Chairman, I wonder if those of us who oppose the mutual security program are aware that the Soviet Union's foreign aid program for underdeveloped countries, which is 5 years old, is now beginning to undertake substantial commitments and make great strides. Originally only a small number of major political targets were aimed at by Khrushchev, but now he is going to town. During January and February of this year the Soviets signed agreements extending $694.4 millions in easy credits to five countries—the United Arab Republic, Indonesia, Cuba, Guinea, and Afghanistan. Where the Soviets have loaned or granted for economic and military purposes over $3 billion to 20 countries since 1955, they have granted almost three-fourths of a billion the first 2 months of this year.

Aid extended from the China-Soviet bloc as a whole—$740 million from eastern European satellites and $140 million from Red China—is now about $4 billion. Small compared to the $32 billion we have provided in the way of military and economic assistance since 1948; but our assistance has been scattered among 55 countries and, with the newly emerging countries of Africa, will be spread even further.

In January and February 1960, $287 million was loaned to Egypt's Nasser for the second stage of the Aswan Dam, $250 million to Indonesia, $100 million to Castro's Cuba, $22.4 million for Afghanistan, $35 million for the Guinean Republic. Last summer Ethiopia got a credit of $100 million.

In the face of the foregoing, how can we even consider denying or reducing further assistance to our needy friends?

In our battle for the minds of men let us not forget that the contest will be determined in the uncommitted, underdeveloped areas of the world—Asia, the Middle East, Africa, and Latin America. The economy and the well-being of the underdeveloped nations must be built up. They must also be convinced that our way of life is best. Let us not now lose the gains we are making throughout the world and especially in Asia. As reported by visitors to Asia, the tide in turning in our favor due, in part, to Communist policies and actions—by Peiping and Moscow.

At this point, I would like to quote the findings of Ernest K. Lindley, a well-known writer, whom I had the pleasure of listening to while he testified before the Committee on Foreign Affairs. I believe that what he writes about Asia pretty much applies throughout the underdeveloped world:

The turn of the tide is due in considerable part to Communist policies and actions—by Peiping, Moscow, and local Communist leaders. Among the most important:

1. The suppression of Tibetian autonomy in violation of Peiping's public pledges and Chou En-lai's personal assurances to Nehru. This has had its sharpest impact in Indian and the Buddhist nations of southeast Asia.

2. The Chinese commune system, with its ruthless regimentation and assault on the family. This has cooled enthusiasm for the New China among the oversea Chinese who are important minorities in every southeast Asian nation. It has also opened the eyes of many other Asians who formerly tended to regard Chinese communism as a possibly acceptable short cut to industrialization and a better economic future.

3. Growing realization that Peiping's boasts of enormous economic gains last year were wildly exaggerated. This is underscored by Peiping's backtracking now—in modifying some of the extreme commune features and abandoning the vaunted backyard steel production. (It would be a grave mistake though, to underrate Communist China's overall industrial advance.)

4. Failure of the Communist assault on the offshore islands last year. This deflated several myths about the Red Chinese.

5. The Communist threat to Iraq, which alarmed the Arab world, shifted Nasser's line, and now seems to have aroused el-Kassem.

6. The conduct of local Communists where they achieved power—as in Kerala and in the Cabinet of Ceylon—and obviously menacing internal Communist gains in such countries as Laos, Burma, and Indonesia.

7. Moscow's suppression of the Hungarian revolt and the subsequent execution of Nagy.

8. Many smaller incidents, such as the Soviet defections in Burma.

All these have had their impact on Asian opinion, but the United States, too, is partly responsible for the turn of the tide.

The favorable turn of the tide in free Asia is not due exclusively to reaction

against the Communist policies and deeds. Side by side with more realism about the Communists there is better understanding of American purposes and, more widely than before, friendly attitudes toward us. This is due, Mr. Lindley says, in part to:

Time and experience having gradually convinced many doubting Asians that American policy really is anti-imperial, that it sincerely seeks to help the free peoples of Asia preserve their independence and achieve a better life. Most Asian governments now want the help of American private capital and management, although not all have taken the steps necessary to attract them.

Our policy of extending economic and technical aid, with no political strings attached, to the neutralist countries has improved their attitude toward us.

Year by year, there are more Asians who have had part of their education or training in the United States or under American guidance in their own countries. There are now scores of thousands of them—military officers, public health experts, agricultural specialists, teachers, all manner of occupations. Overwhelmingly—a few go sour—they are friendly to us and give others a sympathetic view of America.

With the passage of time and the completion of some projects which took several years, the results of our economic aid program are more visible and more widely appreciated. We have made mistakes but overall our aid program is a success.

Our defensive alliances and military aid program have helped to generate confidence and stability, especially in the frontline countries. Generally there is a good, comradely relationship between Asian officers and the Americans who work with them. SEATO is increasingly valued even in some of the nations which for various reasons have not joined.

We further reassured our friends by two actions last year: Sending troops into Lebanon and supporting Nationalist China in the Red assault on the offshore islands. Our Asian allies sometimes wonder whether we will come when needed. Evidence that we will, bolsters them. They find reassurance also in the SEATO military exercises, in which Western forces take part.

Our refusal to recognize the Peiping regime is paying better dividends, now that the commune system and Tibet have shocked so many formerly neutralist Asians.

Many more individual Americans and Asians have come to know and like each other. Most Asians like American informality. Americans find that most Asians, when approached as equals and in a friendly way, respond cordially. Gradually we have built up a corps of people who understand the various Asian peoples and have won their confidence. Officially we are well represented. We have sent some misfits in the past and undoubtedly have some in Asia now. But on this last tour I encountered only a few and they were in minor posts.

It is time to discard the ugly fiction that we have bungled in Asia. We have made mistakes but, on the whole, our policies are sound, reasonably well executed, and productive of heartening results.

We should continue aiding our friends who are in need of assistance for reasons other than political. A healthy well-fed, well-housed man thinks not only of food and shelter; he thinks of some of the better things of life. He will not think of clothes and some of the other comforts of existence when he has need for food and shelter. So let us feed him, saving thereby storage costs for agricultural products. When the economy of his country is built up, work may be found for the individual. When he earns some money he may find need for products we manufacture.

It is simple economics; by assisting the people of the coutries that are developing we can make good customers for our products. How can the representative of a state manufacturing X products that benefits from the sale of those products throughout the world possibly be against a bill that will help build up a country to want more X products?

How can we better create a climate where a demand will be created for our products than to so conduct our foreign policy that economic progress can be promoted back in the countries who receive our assistance as well as in our own country. How better can we exhibit our desire not to resist the revolution of rising expectations of people than to assist them in finding a better way of life?

H.R. 11510 should prevail.

(Mr. FARBSTEIN asked and was given permission to revise and extend his remarks.)

Mrs. BOLTON. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FULTON].

(Mr. FULTON asked and was given permission to revise and extend his remarks.)

Mr. FULTON. Mr. Chairman, I rise to support the mutual security program this year, as I have in past years. I am glad to note the decrease in the appropriations requested, and wish to compliment the International Cooperation Administration on the management steps it has taken for efficiency.

In support of my position favoring this legislation I quote from the message of February 16, 1960, from the President of the United States relative to the mutual security program, wherein he points out the real need for the program:

A year ago in my message to the Congress on the mutual security program, I described it as both essential to our security and important to our prosperity. Pointing out that our expenditures for mutual security are fully as important to our national defense as expenditures for our own forces, I stated that the mutual security program is not only grounded in our deepest self-interest but springs from the idealism of the American people which is the true foundation of our greatness. It rests upon five fundamental propositions:

(1) That peace is a matter of vital concern to all mankind.

(2) That to keep the peace, the free world must remain defensively strong.

(3) That the achievement of a peace which is just depends upon promoting a rate of world economic progress, particularly among the peoples of the less developed nations, which will inspire hope for fulfillment of their aspirations.

(4) That the maintenance of the defensive strength of the free world, and help to the less developed, but determined and hard-working, nations to achieve a reasonable rate of economic growth are a common responsibility of the free world community.

(5) That the United States cannot shirk its responsibility to cooperate with all other free nations in this regard.

It is my firm conviction that there are only a few in the United States who would deny the validity of these propositions. The overwhelming support of the vast majority of our citizens leads us inexorably to mutual security as a fixed national policy.

The mutual security program is a program essential to peace. The accomplishments of the mutual security program in helping to meet the many challenges in the mid-20th century place it among the foremost of the great programs of American history. Without them the map of the world would be vastly different today. The mutual security program and its predecessors have been an indispensable contributor to the present fact that Greece, Turkey, Iran, Laos, Vietnam, Korea, and Taiwan, anld many nations of Western Europe, to mention only part, remain the homes of freemen.

* * * * *

The mutual security program is a program essential to world progress in freedom. In addition to its mutual defense aspects, it also is the American part of a cooperative effort on the part of freemen to raise the standards of living of millions of human beings from bases which are intolerably low, bases incompatible with human dignity and freedom.

* * * * *

Equally with military security, economic devclopment is a common neccssity and a common responsibility. An investment in the development of one part of the free world is an investment in the development of it all. Our welfare, and the welfare of all freemen, cannot be divided—we are dependent one on the other. It is for each of us, the strong and the weak, the developed and the less developed, to join in the great effort to bring forth for all men the opportunity for a rewarding existence in freedom and in peace. World economic expansion and increase in trade will bring about increased prosperity for each free world nation.

* * * * *

For the total mutual security program I ask $4.175 billion. The need for these amounts has been examined and reexamined with great care in the executive branch. I am entirely satisfied that the needs for which funds are sought are needs which must be met and that the funds sought are the most reasonable estimates of requirements we can produce. There is no question but that the Nation can afford the expenditures involved; I am certain we cannot afford to ignore the needs for which they are required.

I quote from the testimony of Hon. Thomas S. Gates, Jr., our competent and able U.S. Secretary of Defense, when he appeared before the Foreign Affairs Committee on Tuesday, February 23, 1960. I call special attention to the emphasis he has placed on the security aspect of this program for the United States and the free world:

At that time I indicated that this budget of $43 billion would provide for a U.S. military structure of approximately 2½ million men. I now emphasize to you that the $2 billion included therein for military assistance will facilitate the effective utilization of an allied military structure of over 7 million men.

I know of no more forceful way to emphasize the essential role played by military assistance in assuring the security of this Nation than to cite this fact: our Joint Chiefs of Staff have recently said, with complete unanimity, that they would not want $1 added to the Defense budget for 1961 if that dollar had to come out of our recommended military assistance program.

* * * * *

My last point concerns the return we receive on our investment.

I know of no program which rewards us better. In terms of actual military strength, the results are impressive. In 1947 every nation had to go it alone for want of strong leadership which only the United States could give and therefore the entire free world was no stronger than the weakest link.

Today we and our allies are in a far better posture. The armies receiving military assistance have increased from 3½ million to 5 million men; allied navies have increased from 1,000 to 2,200 combat ships; allied air forces have increased from about 17,000 to over 25,000 aircraft, about half of which are jet. All allied forces are better trained, better equipped, and better able to perform their assigned missions in the framework of our total strategy. Their self-confidence is strong. Their determination to resist has become steadily firmer. They know that the United States stands with them and, accordingly, when the going gets tough—as it can be made tough by the Communists even in time of peace—they do not falter or fall back.

I want to outline the justification for the current defense support authorization under the U.S. mutual security program.

The executive branch requested $724 million in new obligational authority for fiscal year 1961 for defense support. The House Committee on Foreign Affairs has voted a cut of $49 million in this figure and reported the pending bill which authorizes $675 million.

This level is justified in terms of the concrete actions it is aimed to accomplish which have been presented by the executive branch in great detail and thoroughly reviewed by the committee. This level is also justified in terms of the longer view which has been directed by the Congress.

The House, last year, initiated an amendment to require the development of plans for the progressive reduction and, where practicable, the elimination of grant economic assistance such as defense support.

Last year the conference report on the Mutual Security Act of 1959 had this to say regarding the forward plans required by section 503(c):

The committee feels that such plans are essential to assure that programs do not simply perpetuate themselves by limited planning from year to year, but that they have definite goals toward which they are directed and toward which progress can be measured.

In response to section 503(c) the executive branch has developed and submitted an extensive multiyear analysis of defense support needs and of steps required to secure the above objective. The amendment both required and permitted the taking of a multiyear perspective which is a prerequisite to sound U.S. planning and to effective negotiation and joint planning with the other nations. Two-thirds of the defense support country programs are currently scheduled to reduce in fiscal year 1961. More extensive reductions may reduce the possibility of satisfactory termination. Such a rate of reduction almost certainly will put off the date by which successful termination can be reached.

Progressive reduction has and is taking place:

Fiscal year	Amount	Reduction from prior year
1959	$808,000,000	
1960	766,000,000	$42,000,000
1961 (executive request)	724,000,000	42,000,000
1961 (committee bill)	675,000,000	91,000,000

I should like to point out the accomplishments of the U.S. defense support programs under the Mutual Security Act.

SUMMARY

Defense support, with other U.S. national security and foreign policy actions, has contributed to:

First. The successful maintenance of a deterrent to general war.

Second. The protection of vulnerable areas against local aggression.

Third. The restoration and maintenance of internal security.

Fourth. The survival of a number of nations whose continued independence without assistance was doubtful.

Fifth. The provision of a minimum of economic stability as a basis on which these countries will have an opportunity to move toward self-sustaining growth.

ACCOMPLISHMENT BY COUNTRY

SPAIN

The defense support program, along with other forms of U.S. assistance, has helped maintain a spirit of cooperation which permitted smooth and efficient construction of the bases and the transition to an operational base complex; made available outside resources which helped to keep inflation within tolerable limits and which permitted economic development resulting in a real increase in gross national product of about 6 percent per year since 1953, an increase in per capita gross national product from about $230 in 1953 to about $300 in 1959; encouraged adoption by the Spanish Government of an economic stabilization program which has resulted in sounder fiscal and monetary policies, stable internal prices, import liberalization, and a sharp reversal in the steady loss of foreign exchange reserves.

The defense support program specifically has contributed to the following, during period since signature of the defense and economic aid agreements in 1953:

Strategic rail lines and highways have been strengthened and rehabilitated; for example, railroad freight carrying capacity has increased by 10 percent.

Hydroelectric and thermal power generating capacity has been increased by more than 3 million kilowatts, thus making electricity cutoffs the exception rather than the rule.

The electric power transmission system has been greatly improved, line losses having been reduced from about 25 percent to 18 percent.

Land under irrigation has increased by 500,000 acres, or 100 percent; peseta value of agricultural production has increased fivefold in some areas placed under irrigation.

Crude steel production more than doubled; steel sheet production increased by 25 percent and the production of tin plate doubled.

GREECE

Greece has accepted as an objective the achieving of NATO force goals established to permit fulfillment of an important strategic role in European and Western defense. The role of the defense support program is to assist Greece in making progress toward these goals while maintaining political stability. Defense support in Greece provides local currency support to the Greek defense budget and supplies the equivalent in goods to the economy to counteract the inflationary impact of the additional defense spending. It thus makes possible a higher level of defense preparedness than could otherwise be maintained without increased inflationary pressure or decreased investment for economic development. The U.S. financed imports are made available to private importers for the equivalent in local currency. The Government of Greece deposits the local currency in a counterpart account from which withdrawals are made, with U.S. approval, for the defense budget. Thus the assistance adds to the resources available for expenditure by the government. The government has steadily increased its revenues from direct and indirect taxes but not enough to permit expenditures for the defense budget sufficient to meet NATO defense objectives. Greece is now devoting 5 percent of gross national product to defense—a larger proportion than most NATO countries despite the fact that Greece is one of the poorest of the NATO countries. Greece has been able in recent years to make some degree of progress in achieving both quantitative and qualitative improvements in its defense posture while simultaneously carrying out a substantial development program. Defense support assistance has been an important element in making possible these two areas of progress.

IRAN

Iran's present degree of internal stability and economic growth are attributable in very large measure to the size and effectiveness of U.S. financial assistance provided over the period fiscal year 1954 through fiscal year 1957. Agricultural output and productivity have increased, diseases have been brought under control, old schools have been enlarged and new ones have been established, and government administration has been somewhat improved. Therefore, no defense support in grants for general budget support has been provided since fiscal year 1957. Since fiscal year 1956 a small amount of defense support has been provided annually to generate local currencies to help cover local costs of joint United States-Iran technical cooperation projects and also Iranian-developed and controlled agriculture, health, education, and community development programs. In fiscal year 1959, a rural development program was initiated, for the support of which the government of Iran and the United States made matching local currency contributions.

PAKISTAN

Despite political tensions, changes in administration and recurrent economic difficulties, Pakistan has maintained an encouraging degree of national stability and has remained a friend and ally of the United States. Without U.S. assistance the living standards would have deteriorated markedly. Our aid program since 1952 has made it possible substantially to maintain the level of per capita gross national product. The defense support program provided the means to

import essential raw materials and equipment to keep the economy running. Without the substantial imports of food grains under the Public Law 480 program, nutritional standards, already among the lowest in the world, would have been further depressed or scarce forcign exchange would have been used at the expense of other essential imports. Political stability, which appears to have increased, could not have been maintained if living standards had deteriorated markedly.

The Pakistan rupee proceeds of commodities imported under defense support and Public Law 480 proceeds are important sources of noninflationary financing for the country's military expenditures and development projects.

TURKEY

Turkey is emerging from a decade during which internal economic conditions deteriorated to a critical point, Middle Eastern regional politics were in ferment, and revolutions in neighboring countries created dangerous international crises. Overly ambitious investment activity brought Turkey to a financial crisis of serious proportions during the 1955–58 period. In the summer of 1958, the Turkish Government adopted a stabilization program to control credit, stabilize the currency, restore trade and reduce inflationary pressures.

Despite the retarded rate of progress in recent years, Turkey has nearly doubled its gross national product and its agricultural production since the beginning of the mutual assistance program in 1948. The number of industrial establishments increased by 144 percent, industrial production by 80 percent, the generating capacity of electric power by 211 percent, mineral production by 59 percent. The base for development has thus been laid. Further gains are possible if Turkey pursues appropriate policies to maintain and extend the initial favorable impact of its stabilization measures.

CAMBODIA

Defense support assistance provided through fiscal year 1959 has enable Cambodia to preserve its independence and maintain economic stability. U.S. economic aid also has enabled Cambodia to strengthen its Government administration and to improve and expand the country's productive base, thereby helping to insure Cambodia's future as a free, independent state.

A Cambodian military force, financed in large part with defense support funds, has upheld the authority of the national Government and bolstered confidence in the nation. With the defense support assistance provided to date, basic training has been given to 2,500 police; a new Royal Police Academy was opened early in 1960 with an initial class of 250; surveys for a national police radio network have been completed, and 180 jeeps and other police equipment have been delivered and placed in operation.

Defense support assistance has made possible substantial rehabilitation and expansion of Cambodia's transportation network, particularly of the highway system, which had deteriorated as a result of wartime damage and neglect. The 130-mile long Khmer-American Friendship Highway was officially opened to traffic in July 1959. This new two-lane all-weather highway connects the capital, Phnom Penh, with the new French-financed seaport at Sihanoukville, on the Gulf of Siam, where a new city is developing. The new highway and the new port provide direct access to the sea and free Cambodia from its historic dependence on foreign ports. The new highway is also accelerating the development of agriculture and forestry in the area through which it passes. An additional 1,250 miles of major roads and 65 bridgcs have been rehabilitated with U.S. help.

Other aid-financed improvements to basic transportation facilities include provision of two 40-ton ferryboats to handle traffic across the Mekong River and four dredges to keep the river channels and Phnom Penh Harbor navigable. All-weather runways have been completed at three strategically located airfields which handle both military and commercial aircraft. Similar construction is in progress at two more locations.

Rehabilitation of Cambodia's irrigation facilities, which has absorbed about $2.5 million of U.S. aid, has helped to expand the agricultural production base of the economy. Through repair of existing canals and restoration of sevcral long-abandoned systems—including the ancient Barai Occidental, near Angkor Wat—irrigation has been restored to 212,000 acres of farmland. Heavy construction machinery, valued at $700,000, imported for restoration of the Barai and other systems, is now being used to maintain and add to the country's basic irrigation facilities.

Protection of Cambodia's 9½ million acres of forest reserves, one of the country's most valuable resources, is being provided by construction of firebreaks covering 2½ million acres and of nearly 100 miles of timber access roads. Recently completed aid-financed aerial mapping surveys provide the basis for development of a complete inventory of national timber resources, the first for Cambodia.

Campaigns against 2 of Cambodia's major national health hazards—malaria and water-borne diseases—have been launched and sustained largely with local currency proceeds of Defense Support aid.

After 5 years of spraying which has protected 1 million residents in malarial areas, the project has advanced to the "surveillance" stage. Improvement of urban water supply systems at 5 provincial capitals is in progress, and more than 600 wells have been sunk in rural areas. U.S. technicians have expedited installation of village wells by devising new self-help drilling methods and designing a simple hand pump, now locally produced.

As major construction projects financed by ICA have been completed, and as other aid activities have begun to make an impact on the Cambodian people in terms of improved health and education and higher income, the Cambodian Government has demonstrated a growing appreciation of U.S. assistance and greater understanding of U.S. policies and motivations.

CHINA (TAIWAN)

Defense support assistance helped transform into effective military units the GRC forces that came to Taiwan from the mainland in 1949. It assisted directly in the build-up of military strength by financing the local costs of military construction, certain other nonrecurring costs and raw materials, and also helped maintain the economic stability which must underpin military strength. Increases in agricultural and industrial production, employment and exports, and the beginnings of economic diversification have been made possible in an important measure by defense support.

Dcfense support-financed imports of capital equipment were instrumental in achieving a 125 percent increase in industrial production from 1952 to 1959. The expansion of plants producing chemical fertilizer was a major factor in the sizable increases in agricultural output during the same period.

KOREA

Supplied during this period as nonproject aid, ICA-financed improvements in irrigation and flood control facilities have helped to stabilize production. Progress also has been made in the reforestation of denuded lands to improve fuel and lumber supplies; and uplands development has encouraged crop diversification, reduced losses due to erosion, and is providing food for increased livestock production.

The provision of supplies and equipment for fishing boats and modern processing and marketing facilities have enabled the fishing industry to make progress in regaining its important prewar position. Although the fishing fleet and shore facilities were severely damaged by Typhoon Sarah in September 1959, output of fish and other marine products in 1959 is estimated at nearly 400,000 tons, only slightly less than the postwar peak in 1957. The steady gains which are being made in industrial output, both in physical volume and in the variety and types of goods produced, are attributable almost entirely to equipment and supplies and other assistance financed with defense support funds. Korea now produces some types of paper, tires and other rubber products, asbestos, pesticides and other chemicals, plastics, glass, shoes, textiles and clothing. However, Korea is still heavily dependent on aid-financed imports of the raw materials needed for some of these industries.

The largest of the chemical plants, the fertilizer plant at Chungju, was completed in December 1959. Since then it has been producing ammonia for use in making urea fertilizer. The urea section of the plant is expected to begin operations shortly. When the plant is operating at full capacity, output should meet about one-third of the country's fertilizer requirements and save foreign exchange amounting to $10 to $12 million annually.

Many small and medium-size, privately owned plants, designed to produce a wide range of basic commodities, are in

various stages of completion. The next 5 years could see a sizable expansion of industrial output which would enable Korea to meet a substantially larger share of its requirements from domestic sources.

Improvements in transportation are contributing to the growth of the economy. Since the close of the Korean war, Korea's railway system has been almost completely rehabilitated and approximately 220 miles of additional main and spur lines have been constructed. Maintenance shops have been rebuilt and additional locomotives, rolling stock and other equipment provided, including 95 diesel engines and 1,900 freight and passenger cars.

The primary road system has been undergoing continuous improvement, largely through the institution of regular maintenance schedules and the use of more modern equipment. By the end of 1959, practically all of the war-damaged streets and roads had been repaired and more than 200 miles had been paved. A total of 400 bridges of various sizes have been rebuilt and an additional 200 are in the construction or planning stage.

Shipping has been facilitated by the rehabilitation of piers, wharves, unloading facilities, revetments and breakwaters, and the installation of navigational aids at major ports. Silting in Korea's major harbors has been reduced through dredging and flood control measures.

Communications services have been rebuilt and expanded to help meet military and growing industrial requirements. These installations, now approximately 90 percent complete, include teletype circuits and equipment, intercity toll lines and additional central office facilities in major cities, as well as an offshore radio system. As a result of improvements in Korea's electric power generating and distribution facilities, electric power output has tripled between 1954 and 1959. However, generating capacity still falls short of requirements.

Measures to help overcome the acute shortage of housing are beginning to show results. Financing has been provided through new and existing credit institutions for low and moderate cost housing. Interest has been stimulated in simplified housing design, reduction of construction costs and increased use of local materials to save foreign exchange. More than 30,000 applications have been received from potential homeowners; nearly 6,000 of these applications have been approved, and approximately 4,500 homes have been completed or are now under construction.

Financial assistance has also been given to the Armed Forces Assistance to Korea—AFAK—project. Utilizing the technical skills of U.S. military personnel and aid-financed commodities, this project has made a significant contribution to the repair and construction of schools, dispensary facilities, and other public buildings.

Educational and health facilities also have been aided directly with materials and equipment. Emphasis in these fields has now shifted from physical plant improvements to technical assistance, funded under the technical cooperation program.

LAOS

That Laos has remained free is attributable largely to U.S. aid. With ICA support, the Lao army was enlarged and, in the summer of 1959, succeeded in countering armed insurrection. The joint United States-French military training program, established just before the outbreak of hostilities, is developing the army into a more effective force.

Since ICA aid began in 1955, the strength of the civil police force has grown from 600 to 3,200 men. An intensive training program is now underway at the National Police Academy, established in February 1959 with U.S. help.

ICA financial assistance has enabled the Lao Government to control inflation and eliminate currency speculation, to achieve financial stability, and to improve government services and fiscal administration. With the achievement of a sounder currency, capital flight from Laos has ceased to be a serious issue.

Progress also has been made in improving the deficient and disrupted highway system. With ICA technical and financial help, the roads linking Vientiane, the administrative capital, with the most important provincial centers have been extended to a total of almost 500 miles.

As part of the drive to increase food production and meet dietary deficiencies, eight irrigation and diversion dams have been completed with ICA aid, bringing new acreage under cultivation.

The training of Lao Government malaria service staff has continued on schedule and 87 Lao technicians are now actively participating in the program. House-spraying goals have been surpassed and protection is being provided to 950,000 persons, almost half of the total population.

Operation Brotherhood teams, under a program jointly sponsored by the Philippine and Lao Junior Chambers of Commerce, and assisted by ICA, have combined to provide medical and public health services to some of the remote rural areas. Teams of Filipino doctors and nurses—now totaling 80 persons—are operating 7 out-patient clinics and providing medical care to approximately 40 percent of the population, principally villagers who otherwise would be without these services.

PHILIPPINES

Many of the projects included in the military construction program, which is financed in part from local currency generated by defense support aid, are in various stages of use, construction, or design.

Under the defense support program in past years, the Philippines received significant amounts of machinery and equipment both for industry and agriculture, as well as essential raw materials, including surplus agricultural commodities. These have contributed to notable increases in agricultural and industrial production and to substantial improvement of the transportation system.

Defense support assistance has made possible the reconstruction, rehabilitation, and expansion of the College of Agriculture at Los Banos; the nationwide demonstrations of the value of chemical fertilizers; and the completion of more than 300 large pump-irrigation and 13 large gravity-irrigation systems, which provide water for more than 300,000 acres. Food production on this newly irrigated land is expected to be a significant factor in the country's total food supply—approximately enough to feed 1.6 million people or about 6 percent of the present population.

More than 450 miles of roads and 150 bridges have been built on the large and undeveloped island of Mindanao. Settlement and agricultural development have followed, underscoring the importance of roads in fostering economic growth. Defense support assistance also has made possible considerable road rehabilitation and construction elsewhere throughout the country, and has helped to improve harbors and other elements of the transportation network.

Through the Industrial Development Center, an agency of the Philippine Government, technical advice and loans of defense support generated local currency have been extended to several hundred industrial firms. This assistance has been an important factor in increasing production of cement, textiles, plywoods, and veneer.

Defense support assistance has made possible a more extensive and accurate survey of the mineral and other natural resources on which the future industrial development of the Philippines will so largely depend. Extremely promising laterite and other mineral deposits have been identified and mapped. Other accomplishments of the defense support program include rehabilitation, modernization, and equipment of schools, hospitals, and other public buildings; and improvement and expansion of community water supplies.

THAILAND

Most of the defense support assistance provided in the past has been used to help Thailand develop its primary highway system. The 90-mile Friendship Highway, completed in 1958, is a major segment of the road from Bangkok to Nongkai on the border of Laos. The Friendship Highway not only has speeded communications between the Thai capital and Laos, but also has served to stimulate economic development of the relatively depressed northeast region of Thailand through which it passes. Construction of about half of the East-West Highway has been completed. This 80-mile road from Pitsanuloke to Lomsak in North Central Thailand is also opening a previously isolated area for development.

In addition to these major construction projects, the Thai have undertaken a program for general rehabilitation and improvement of the highway system. Over 700 modern bridges have replaced dangerous wooden structures, thus enabling heavy trucks to use roads previously impassible to them. Improvement of the highway system has been reflected in an increase in traffic and in the de-

velopment of areas which previously were almost completely isolated.

With ICA assistance, the Thai railways have been rehabilitated and modernized. The 33-mile extension of the railway from Nongkai to the Laos border on the Mekong River has greatly facilitated the movement of goods into that landlocked country.

To meet a critical shortage of power for both domestic and industrial uses in the Bangkok area, ICA financed the procurement of 10 diesel 1,000-kilowatt generators. These units were put into service in September 1959. When power from the Yan Hee Dam becomes available, the generators will be relocated in various provincial centers to supply power to rural areas not served by national transmission lines. ICA assistance also has been instrumental in the development of a lignite mine which will provide fuel for an adjacent 12,500 kilowatt thermal powerplant. When completed this year, this plant will provide urgently needed power to three cities in northern Thailand.

Air navigation and communications equipment, and other airport equipment provided by ICA, has been installed at Bangkok and 21 Thai provincial airports. This equipment has enabled 23 international airlines to use the Bangkok airport and has contributed to significant development of commercial air transportation within Thailand, thus increasing accessibility to relatively isolated areas and speeding commerce throughout the country.

VIETNAM

When the Indochina war ended 6 years ago, Vietnam seemed to have little chance of survival because of serious internal political factionalism, complete disruption of the economy, and widespread subversion directed against the new pro-Western government. The United States was faced with the choice of providing the large-scale support necessary to preserve Vietnam from total collapse or allowing this strategic area to fall behind the bamboo curtain. Following a decision that the preservation of Vietnam's independence was important to the United States, large-scale military and economic aid was provided. Since then, Vietnam has made substantial progress and is now one of the strongest supporters of U.S. policy in Asia. This recovery results from Vietnamese Government efforts and U.S. support.

Defense support assistance has helped to preserve Vietnam's independence by enabling the country to maintain adequate military forces, rehabilitate war-damaged facilities, undertake essential economic development projects, and provide basic public services to the people.

Large-scale provision of commodity imports through commercial channels has helped to control inflation and has enabled the Government to maintain living standards. It has also helped to promote private investment through the importation of machinery and raw materials for local production of consumer goods, such as glass and textiles, and other essentials such as jute sacks for rice.

With the exception of silted canals in rice-producing areas, which were abandoned during the war, wartime neglect and destruction have been largely repaired. Much of the road network has been rehabilitated and improved, resulting in increased mobility of the security forces and the settlement and development of new areas. In August 1959, after an interruption of 13 years, through rail service was resumed from Saigon to Dong Ha near the 17th parallel, a distance of 700 miles.

Popular support of the Government has been strengthened through ICA-assisted activities in the fields of health and education which directly affect the welfare of the people. Health stations have been established in 2,660 villages. Approximately 400 wells have been drilled to provide potable water supplies. More than one million houses have been sprayed under the malaria eradication program, previously wholly supported by defense support but now supported in part from the worldwide malaria eradication fund. With ICA help, the Government has also constructed 1,400 elementary classrooms which make it possible for an increasing number of Vietnam's children to receive at least a basic education.

A concerted effort has been made to develop civil police forces to carry out regular police functions and also to help meet internal security requirements. Almost 60,000 men have been trained, some of them in the United States.

Finally, I would like to point out and compliment our good friends, the people of Israel, on their fine and intelligent progress to this time. The Government and people of Israel have accepted the benefits of the U.S. mutual security programs with a deep responsibility for efficient use of the funds and agricultural commodities they receive. We should continue our U.S. aid to Israel in the 1961 fiscal year through the Development Loan Fund, through U.S. Public Law 480 distribution of U.S. agricultural surplus products, and we should continue our special assistance-type programs at the same rate of $7½ million as Congress had authorized for the current fiscal year ending June 30, 1960. We in the United States must remember that the State of Israel is a basic foundation of our U.S. foreign policy in the Mideast, and the freedom and progress of the people of Israel are keystones in the building of a free, prosperous, and secure world.

Mrs. BOLTON. Mr. Chairman, I yield 15 minutes to the gentlewoman from Illinois [Mrs. CHURCH].

(Mrs. CHURCH asked and was given permission to revise and extend her remarks.)

Mrs. CHURCH. Mr. Chairman, it would not be fitting for me to speak even 1 minute on this very important bill without first expressing my appreciation to the chairman of our committee and to the Members who so graciously permit disagreements within their ranks. That graciousness, I would say, has grown during the chairmanship of the gentleman from Pennsylvania. We who signed the minority report appreciate tremendously the courtesy that has been shown to us and the demonstrated willingness to listen—willingness, I might say, Mr. Chairman, in recent years even to think that our position was significant enough to be considered. For all of that, we are grateful.

Mr. Chairman, I come today with no eloquent plea. During the 8 years that I have been a member of the House Committee on Foreign Affairs—during the 8 years that I have in my humble way assisted in trying to make this bill as good as it could be—never once have I come before the House trying to influence any Member as to how he or she should vote or as to how he or she should judge this bill.

Mr. Chairman, indeed, as I sat here this afternoon listening to the debate, I have been impressed with how much I could agree with so many of the statements made by those who favor this legislation—or rather, the goal of this legislation. The peace of the world and the rise of people and nations to their heritage of freedom are indeed jointly held desiderata. Equally, the safety and economic well-being and in fact the survival of our great free country, in this troubled world, is for all of us a common goal.

Mr. GROSS. Mr. Chairman, the gentlewoman from Illinois [Mrs. CHURCH] is making a very important speech and I believe more Members should be present to hear her so I make the point of order that a quorum is not present.

Mrs. CHURCH. Mr. Chairman, may I ask the gentleman from Iowa to withdraw the point of order?

Mr. GROSS. Mr. Chairman, I insist on the point of order.

The CHAIRMAN. The Chair will count. [After counting.] Forty-nine Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 51]

Addonizio	Forand	Mitchell
Allen	Ford	Montoya
Andersen, Minn.	Garmatz	Moorhead
	Gathings	Morris, N. Mex.
Anderson, Mont.	Gavin	Morrison
	Glenn	Moulder
Auchincloss	Grant	Norblad
Bailey	Hargis	Oliver
Baker	Harrison	Powell
Barden	Hays	Prokop
Barrett, Pa.	Hechler	Rogers, Tex.
Bass, Tenn.	Holifield	Rooney
Bolling, Mo.	Holland	St. George
Bonner	Holt	Sheppard
Bowles	Horan	Short
Brock	Inouye	Sisk
Buckley	Jones, Ala.	Smith, Miss.
Burdick	Kearns	Staggers
Burleson	Kelly	Taylor
Cahill	Keough	Teague, Tex.
Celler	Kilburn	Teller
Coffin	King, Utah	Thompson, La.
Cooley	Kluczynski	Thompson, Tex.
Daddario	Lafore	Utt
Davis, Tenn.	Landrum	Vinson
Dent	McGovern	Walter
Derounian	McIntire	Wharton
Diggs	McMillan	Whitten
Dooley	Machrowicz	Williams
Evins	Mack	Willis
Fallon	Madden	Withrow
Fenton	Magnuson	Young
Fisher	Meader	Younger
Flood	Merrow	
Foley	Metcalf	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the

Union, reported that that Committee having had under consideration the bill H.R. 11510, and finding itself without a quorum, he had directed the roll to be called, when 329 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mrs. CHURCH. Mr. Chairman, before the quorum call, I was saying that I had been interested to note how much there was with which I could agree in the words of those who have spoken in favor of this bill this afternoon. This is true despite my earlier statement that as in other years I had felt constrained in committee to vote against reporting out this particular measure.

Mr. Chairman, I am surely not unaware of the world in which we live, and move, and have our being. I know the danger, I know the conflict, I know the insistence of an implacable enemy hostile to everything for which we stand. I know the determination of that enemy to take over the world by economic means if not by military. I know that there is still no peace. Within the last 6 months I have stood with our subcommittee on the 38th parallel in Korea and looked across that thin line which separates our forces from what I still believe to be possible Communist aggression. I have stood at the end of the bridge in the leased territory near Kowloon, and watched others walk across the short line to Communist China. I know the threat of danger under which we live.

I know something else. I know that in the last 10 years there has been the greatest change in the world that history has ever known, an explosive outbreak of freedom which we should swiftly recognize and certainly hail. I know that from that outburst of freedom conditions have arisen which demand new consideration.

I know all that, Mr. Chairman, and I know something more. I know that to this country the world would like to look for sound and right leadership. As I have said in other years and say again, our national well-being lies not in material possessions, nor in our material prosperity, but rather in the endemic strength of our own freedom. We have poured out our substance and the lives of our sons in the cause of freedom—nor have we as a nation or as people ever turned our back on human need.

I face all that. I face also the fact that the committee has labored long and earnestly and sincerely, particularly during the last 2 or 3 years, trying to write a bill that would bring order into the program. Nevertheless, very frankly, in this as in other years, I look at this Mutual Security Act, and I know that no matter what we have attempted, the bill is not adequate, the program is not adequate, the results are not adequate; and I for one am not willing to accept second best. Nor should the American people be asked to condone—and pay at such sacrifice for—a program in which extravagance, waste, and inadequacy of planning, administration, and control are still so evident.

I do not think that we can lightly toss off our responsibility by laughingly referring to "horrors" when waste is pointed out. I would say with very humble sincerity that neither the committee nor the Congress has a right to accept for itself a certain sentence on page 7 of the majority report, which reads:

> The Congress must reconcile itself to the fact that occasional mistakes will continue to be made and some money will be misspent.

Mr. Chairman, we have been forced so far to accept mistakes and waste, but may I never live to see the day when the committee or the Congress "reconciles" itself to the idea that such mistakes and such waste are inevitable. And by the same token, referring to another sentence in the majority report, although I would say to the gentleman from Pennsylvania that in most cases it is an excellent statement of the majority case, I would disagree with the thought behind the sentence on page 6 which says that "no technique has been devised by which only the funds likely to be wasted can be cut from the program in advance."

Mr. Chairman, of course, no one has the gift of second sight to know which funds will be wasted, but certainly a responsible Congress will make sure that every possible effort to control waste is made before admitting defeat. A responsible Congress will make sure that every step is taken that can be taken to eliminate the possibility of such waste of funds.

Mr. Chairman, I am not at this late hour going to go into all the reasons that might be given for just criticism of this measure. I was one of those fortunate people who made that astounding journey around the world with the Subcommittee on Foreign Economic Policy under the dedicated leadership of the gentleman from Georgia; and I doubt if any American ever looked with such clear eyes at the problems of his generation and of his country. I would like to direct the attention of the entire House to the formal report of that subcommittee. I refer to House Report No. 1386, Report of the Special Study Mission to Asia, the Western Pacific, the Middle East, Southern Europe, and North Africa. I would like the Members of the House to read that report and, particularly, to note the conclusions. I would point out that the report was signed by a very representative group of Members of this body. It was signed by Mr. PILCHER, the gentleman from Georgia, as chairman; Mr. MCDOWELL, of Delaware; Mr. FASCELL, of Florida; Mr. CURTIS, of Massachusetts; and Mrs. CHURCH, of Illinois.

I commend that report to your attention not with any pride in its partial authorship but because it represents a very honest attempt to face the facts, admit the truth, and call for a determined remedy.

Mr. Chairman, I am going, as is my custom, when we get back into the House, to ask permission to include in my remarks the conclusions of the minority group of the Committee on Foreign Affairs who voted against reporting out this bill.

It does not, of course, represent any more than does any joint report the exact and complete reaction of any one of us. It does indicate certain of the reasons why some of us feel constrained to say again this year that despite the best intentions of the committee and despite the improvements in the program that have taken place, this bill is not adequate.

Mr. Chairman, I always have one sentence in mind when I come to a discussion of this legislation. Those of you who have been patient enough to listen to me before may remember it. It goes something like this:

> There is more faith in honest doubt, believe me, than in half the creeds.

Mr. Chairman, I am sure that those members of the Committee on Foreign Affairs with whom we are in partial but important disagreement know our sincerity. I hope that we on the committee and other Members of the House will rise to our responsibility in this day and age of danger and face honestly the inadequacies and errors of past attempts. I know—I admit gladly—that much has been done. It would be a sorry thing, indeed, if we had spent over $80 billion and tried so hard, without some noticeable results.

I am reminded nevertheless of the ancient words of Pericles:

> I am more afraid of our own mistakes than of all the devices of our enemy.

We cannot run from our responsibilities. We must find a new and realistic approach to our problem. There is ground for suspicion that we are dealing with wornout tools; and in this day and age, wornout tools, Mr. Chairman, are not enough to meet the threat that we recognize.

I am inclined to feel that the closing sentence of our report, on page 118, is all too true:

> To refuse to face the facts and in the very name of mutual security and freedom fail to demand adequate remedy for current deficiencies would be a negation of our congressional responsibility.

The time is long overdue when we must take out that part of the program which is useless, eliminate the waste, and get ahead with problems that face us and do the best we can with them until such time as the program can be rated unnecessary. We should not be willing to make of this program so sacred a cow that to criticize it is to bring upon oneself opprobrium, that to insist on improvement is considered to be nonrecognition of a need. I think that the time has come when even the Congress in its entirety should not be content annually just to pour out billions and use the action as an anesthetic under which to forget the program until another year rolls around. I repeat that it is time to face up to the need, face up to the danger of what we are not doing, and the time for us to decide between now and next year to give the program and the policy and the legislation a complete review and revision. If we can come in

here next year with waste and inadequacies eliminated, with inefficiency rejected, with congressional control of the program once more in our hands, then we will have a right to come to you and say: This is the best that we can do. This year, five members of the committee voted against reporting out this bill. Three signed the minority statement which I here include:

MINORITY VIEWS OF MR. PILCHER, MRS. CHURCH, AND MR. ADAIR ON H.R. 11510

For some years, as earnest participants on the committee considering the Mutual Security Act, we have felt compelled to be realistic and honest critics, not of what is sought to be done but of the inadequate planning and poor administration of the program. Despite efforts this year to make some improvements in this basic legislation, we can see no indication that the actual planning and administration of the program will be radically changed. As in previous years, we who find this present bill unsatisfactory again assert that we believe in mutual security. We do not believe, however, that the present measure, H.R. 11510, adequately meets the challenge to provide such mutual security. It does not present the new imaginative program which is so necessary to further the efforts of the United States to build peace and progress in this troubled world.

Despite conclusive evidence that, due to obvious uncorrected weaknesses, the program has failed to achieve the anticipated results toward the establishment of security in the free world, H.R. 11510, as reported out by the Committee on Foreign Affairs, authorizes an appropriation of $1,318,400,000, a reduction of $136,500,000 from the Executive request. In addition, there are continuing authorizations, agreed to by the committee last year, for military assistance, the Development Loan Fund, and other smaller items, in the amount of $2,720,100,000. In other words, the total amount proposed to be appropriated for fiscal year 1961 is $4,038,500,000. Furthermore, under Public Law 480, additional funds will be made available to the mutual security program.

Last fall a study mission comprised of members of the Committee on Foreign Affairs completed a 40,000-mile tour to study the impact of U.S. foreign aid programs in the areas around the world. The chairman of this minority report was also chairman of the study mission. Another signer of the minority report accompanied him. In its report the study mission pointed up the reality and justice of our former criticisms. The final conclusions of the report had this to say about foreign aid:

"The study mission is convinced that a realistic review and reappraisal of our aid program is immediately necessary, and that greater supervision must be given to its operations. However noble the purpose or well advised the goal, the quality and success of performance remain an essential criterion of success. We have pointed out in this report specific cases of poor programing and excessive spending. There is indication in more than one instance that, as suggested by the Comptroller General in 1959, the field operations have actually been hampered by an excess rather than a paucity of funds. A far more vigorous effort, moreover, must be made to correct conditions and weaknesses that are known to exist and that have been pointed out again and again. There is some indication that blame for such weaknesses should be placed as much, if not more, on the planners in Washington than on those in the field. In any event, there is ample justification for our insistence that there be a complete revision of programs and operations.

"In fact, there is justification for insistence on a broader vision and a more imaginative approach. Such approach should aim to produce in the peoples of the world greater and more successful self-reliance and stable political institutions under which the people in each country could live in freedom and dignity with full enjoyment of economic progress under democratic institutions.

"What is desperately needed in this world to build sound bodies and sound minds is an adequate food supply and elementary education. In generations to come, grandiose dams and multi-million-dollar fertilizer plans might bring ultimate benefit, but we express again our fear of the inconsistent and strikingly dangerous gap between such grandiose projects at the top and the millions of human beings still starving, still untaught, who have neither the stamina to undertake nor the capacity to understand self-government. Without such understanding and capacity there is little chance for orderly progress. Such a course only adds to economic dislocation and confusion. Premature advance toward industrialization not only seriously strains the present capacity of countries but is bound to produce an insecure economic base. We would urge, therefore, that primary attention be given to food production and the teaching of at least elementary knowledge.

"Since the end of World War II, the United States has spent well over $80 billion in aid to the nations of the world. The program has assisted in the effort of keeping them free and improving their economic position. In recent years changing conditions in the United States and in the world require reappraisal and revision of the program. The struggle to maintain freedom and encourage economic development involves the future of all free nations and, therefore, must be regarded by them as a joint responsibility.

"The financial condition of the United States makes an expenditure each year of $3 to $4 billion an extremely difficult burden to carry. Such an effort can be justified only if the programs and obligations succeed in achieving their objectives. The American citizen today is paying more peacetime taxes than ever before. Interest on the public debt is taking approximately one-twelfth of all taxes collected. The American dollar, once the strongest and most-sought-after currency in the world, is selling at a discount in some countries (e.g., Canada, Switzerland, Belgium). Our gross national debt is approximately $292 billion.

"Those nations which the United States helped to rehabilitate after World War II, and which are now financially strong, should make every effort to assist, both militarily and economically, in strengthening the less developed countries. The United States should no longer carry so large a share of the military and economic assistance to the other free nations of the world.

"Furthermore, since 1947, the United States has so given to other countries its technical know-how and the dollars to develop it, that its own formerly unchallenged economic supremacy of the free world is under successful attack. The United States faces stronger economic competition than ever before—a competition that can have an immeasurable effect not only on our trade but on our industrial prosperity and the high living standards of our workers. Every possible wise step must be taken to protect our own position in world trade as well as the stability of the American dollar.

"These facts, in addition to the findings of the study mission, underlie our insistence for an immediate detailed examination and careful review and revision of programs and operations.

"In particular, the study mission comes back impressed by obvious evidence that ultimate failure is inherent in the program unless we can somehow develop plans and operations that will reach down to the people themselves of each country."

Paul G. Hoffman, in his pamphlet, "One Hundred Countries, One and One-Quarter Billion People," succinctly states the problems confronting underdeveloped countries:

"The underdeveloped countries need high level manpower just as urgently as they need capital. Indeed, unless these countries are able to develop the required strategic human resources they cannot effectively absorb capital. But human resources of the less-developed nations have been shamefully neglected. Only a very small percentage of the people who live in these countries have ever had an opportunity to acquire an education and only a few have ever had positions of responsibility. There is a huge need for training of all types from on-the-job training of artisans to training in more complex technological and management sciences.

"Of all the resources required for economic development, high-talent manpower requires the longest leadtime for its creation. Dams, power stations, textile factories, and steel mills can be constructed in a few years, but it takes 10 to 15 years to develop managers, engineers, and the administration to operate them. The existence of such manpower, however, is essential if the countries are to achieve self-sustaining growth.

"Thus, while it is imperative that these countries survey their natural resources and draw up programs spelling out priorities for the strategic investment of capital in their development, so must they draw up some kind of a high-level manpower budget for the next 10 or even 20 years. This should be an integral part of their development plan."

Eugene R. Black, President of the International Bank for Reconstruction and Development, in a speech made at Oxford University, England, on March 3, 1960, stated:

"We think that in administering economic aid quality is more important than quantity; even the most enthusiastic supporters of economic aid recognize that the outside world cannot provide more than a small margin of the resources needed; the really crucial economic and human resources must come from within. Therefore, it is only realistic, we think, to try to use economic aid primarily to promote proper standards in the art of managing a country's resources."

This present legislation in no sense gives the true picture of what is available for mutual security. Attention is directed to the following figures showing mutual security funds by program and amount available for expenditure for fiscal year 1960, which were inserted in the CONGRESSIONAL RECORD of March 31, 1960, by Hon. OTTO E. PASSMAN, chairman of the Subcommittee on Foreign Operations of the House Appropriations Committee:

Mutual security funds by program and amount (available for expenditure (fiscal 1960))

	Total available for expenditure
1. Military assistance:	
Unexpended, June 30, 1959	$2,547,998,755
New funds, fiscal 1960	1,331,247,000
Sale military material, fiscal 1960	30,200,000
Total	3,909,445,755
2. Defense support:	
Unexpended, June 30, 1959	787,500,953
New funds, fiscal 1960	695,000,000
Sale military material, fiscal 1960	500,000
Total	1,483,000,953

Mutual security funds by program and amount (available for expenditure (fiscal 1960))—Continued

	Total available for expenditure
3. Development Loan Fund:	
Unexpended, June 30, 1959	$782,010,480
New funds, fiscal 1960	550,000,000
Loan repayments, fiscal year 1960	15,700,000
Total	1,347,710,480
4. Development assistance, unexpended, June 30, 1959	97,768,490
5. Special assistance:	
Unexpended, June 30, 1959	173,389,255
New funds, fiscal 1960	245,000,000
Estimated reimbursement, fiscal 1960	100,000
Total	418,489,255
6. President's Asian fund, unexpended, June 30, 1959	$85,846,438
7. President's contingency fund:	
Unexpended, June 30, 1959	139,789,149
New funds, fiscal 1960	123,753,000
Total	263,542,149
8. Technical cooperation, bilateral:	
Unexpended, June 30, 1959	158,717,287
New funds, fiscal 1960	150,000,000
Estimated reimbursement, fiscal 1960	700,000
Total	309,417,287
9. Technical cooperation, U.N.:	
Unexpended, June 30, 1959	8,292,101
New funds, fiscal 1960	30,000,000
Estimated reimbursement, fiscal 1960	
Total	38,292,101
10. Technical cooperation, Organization of American States:	
Unexpended, June 30, 1959	1,307,960
New funds, fiscal 1960	1,200,000
Total	2,507,960
11. Joint control, unexpended, June 30, 1959	472,167
12. Atoms for peace:	
Unexpended, June 30, 1959	9,280,648
New funds, fiscal 1960	1,500,000
Total	10,780,648
13. North Atlantic Treaty Organization, unexpended, June 30, 1959	1,088,558
14. Intergovernment Committee for European Migration:	
Unexpended, June 30, 1959	10,829,222
New funds, fiscal 1960	7,371,000
Total	18,200,222
15. U.N. Refugee Fund:	
Unexpended, June 30, 1959	1,200,000
New funds, fiscal 1960	1,100,000
Total	2,300,000

Mutual security funds by program and amount (available for expenditure (fiscal 1960))—Continued

	Total available for expenditure
16. Escapee program:	
Unexpended, June 30, 1959	$6,887,757
New funds, fiscal 1960	4,632,000
Total	11,516,757
17. U.N. Children's Fund:	
Unexpended, June 30, 1959	8,925,635
New funds, fiscal 1960	12,000,000
Total	20,925,635
18. U.N. Relief and Works Agency:	
Unexpended, June 30, 1959	8,956,957
New funds, fiscal 1960	25,000,000
Total	33,956,957
19. Ocean freight:	
Unexpended, June 30, 1959	1,662,992
New funds, fiscal 1960	1,910,000
Total	3,572,992
20. Control Act, unexpended, June 30, 1959	119,101
21. Administrative expenses, ICA:	
Unexpended, June 30, 1959	4,956,497
New funds, fiscal 1960	38,000,000
Estimated reimbursement, fiscal 1960	800,000
Total	43,756,497
22. Administrative expenses, State:	
Unexpended, June 30, 1959	708,341
New funds, fiscal 1960	8,100,000
Total	8,808,341
Grand total	8,111,521,750

RECAPITULATION

Unexpended funds, June 30, 1959	4,837,708,750
New funds, appropriated, fiscal 1960	3,225,813,000
New funds, other, fiscal 1960	48,000,000
Total	8,111,521,750

INADEQUATE PLANNING AND POOR ADMINISTRATION

Since the end of World War II the United States has spent more than $80 billion to assist nations in remaining free and in improving their economic conditions. Newly independent nations seek to build prestige by building huge dams, steel mills, and super highways before there is need for such grandiose projects. As a result the International Cooperation Administration has acceded to too many requests for such programs and there have been too many projects begun without proper planning, determination of need, or benefits to be derived. Too often the people at the grassroots do not derive any immediate benefits from these grandiose projects—but continue to live in poverty and hunger under circumstances which certainly are not conducive to economic well-being or the development of democratic processes. Too much emphasis has been placed on meeting the personal desires of the political leaders of the recipient governments and too little emphasis on the needs of the little people who, after all, determine the potential and the future of each country.

There is a true need for technical assistance in all of the underdeveloped nations, but such assistance should be given on the basis of a smaller number of better selected projects. A study mission, of which two of the signers of this minority report were members, found more than 600 projects in being in one country and more ready to be started before completion of the existing projects. The criticism that a multiplicity of projects has been undertaken is justified by the appended compilation showing aid to and projects in countries which the study mission visited.

In too many instances inadequate planning has resulted in the undertaking of impractical and unsuitable projects in underdeveloped nations which have led to excessive spending and waste of U.S. funds. We cite the following examples in support of these charges: A highway program in Vietnam on which the costs have skyrocketed from $18 million to $85 million, and may exceed $100 million before its completion; a fertilizer plant in Taiwan, started with foreign aid money and estimated to cost approximately $34 million, which is nonoperable because some of the equipment does not meet the specifications for the desired operations, and on which the Taiwanese Government has instituted proceedings against the manufacturer for contractual noncompliance; radio towers installed in Saigon which have never been put in operation because their utility is undetermined and their location in doubt.

As a further illustration, it seems worth while at this point to go into the problem of the Saigon water program in detail, and quote from the previously mentioned subcommittee report:

"Everyone agrees Saigon badly needs a new water system, but plans have bogged down in a heated dispute between two schools of thought. On one side is the International Water Corp. of Pittsburgh which believes in deep wells. It has done business in Saigon for 30 years and has drilled most of the city's wells. On the other side is the Hydro-Technique Corp. of New York which believes in dams and pipelines.

"Our foreign aid authorities gave the Hydro-Technique Corp. a $200,000 contract for a survey 2 years ago. Hydro-Technique came up with a report favoring a dam and filtration plant on Dang Nai River near Bien Hoa, 18 miles north of Saigon. From this plant a 72-inch pipeline would lead to Saigon. The International Water Corp. made several surveys, all of which showed again that deep wells are quite adequate. What is more, the International Water Corp. said they would be much cheaper and provide water much sooner. The Hydro-Technique pipeline project is estimated to cost $19.5 million to be put in by the United States. The International claims it can give Saigon all the water it needs indefinitely for $12 to $14 million. The Vietnamese seem to favor the dam and pipeline system, but the military of both Vietnam and the United States have raised the question of security. It was at Bien Hoa that two American military advisers recently were killed when Red terrorists tossed a grenade into a movie audience.

"It is pointed out that the 18-mile aboveground pipeline could be sabotaged and the already hard-pressed Vietnamese armed forces probably would have to furnish daily patrols, as well as guards for the river plant.

"In November 1959 the Development Loan Fund approved a $19.5 million loan for the water system and called for another survey. Who gets the contract for this survey and what it will cost, we do not know."

The most urgent need in many of the underdeveloped countries is the employment of manpower, which is one of their greatest economic resources. There is intense need for development of the agricultural regions and the implementation of small industries so that this excessive supply of manpower may be put to productive use, instead of

the multimillion-dollar projects carried out by contract with large business firms only interested in making a profit, with little or no regard for the utilization of local manpower.

LOSS OF CONGRESSIONAL CONTROL

We regret that each year there is further shrinkage in the degree of control exercised over the program by the Congress. Progressive loss of control of funds inevitably leads to loss of administrative control. In the face of our repeated criticisms over the years of the administrative deficiencies in the foreign aid program, the executive branch this year requested an appropriation of $4,175 million for mutual security. During fiscal year 1959 total U.S. mutual security expenditures were $3,898 million. Despite the fact that we are being asked to continue to pour vast sums of money into the program, this request for funds in fiscal year 1961 makes no suggestion for strengthening congressional control over the programing and expenditure of funds. Nor is any recognition seemingly given to the fact that many of the projects do not have economic justification, let alone a defense requirement.

It is true that the bill for this year contains no authorization for military assistance. The mutual security law was changed last year so as to provide that for fiscal years 1961 and 1962 such sums as might be necessary could be appropriated for military assistance. This is an open-end authorization. There is no possible way to indicate just how much will actually be spent for the military under the unlimited amount authorized. We definitely feel that such authorization further weakens the control of the Congress over the funds and over the program.

In our judgment, the Congress made a serious mistake when it changed the pattern of congressional action as regards the military aid programs which previously had prevailed for nearly 10 years. It is urgent that we return to the original procedure whereby military assistance funds were annually authorized and annually appropriated.

BUREAUCRACY IN MUTUAL SECURITY PROGRAMS

The foreign aid program is administered by an increasingly large number of personnel without any noticeable increase in efficiency. This has led to the creation of an entrenched, self-perpetuating bureaucracy, still growing in size, power, and inefficiency. In this regard, the figures speak for themselves. In December 1948, a total of 2,858 persons were employed in the economic aid program. Today there are more than 42,000 personnel employed in the administration of the mutual security program.

INADEQUACY OF INSPECTION

The Office of Inspector General and Comptroller was created in last year's mutual security legislation to undertake the required actions to correct a program warped with waste and inefficiency. It was hoped that the creation of such an office would bring to the program a fresh review through impartial inspection by competent personnel whose judgment would not be prejudiced through longtime association with the practices and operations under consideration. It was brought out in the hearings on the program this year that personnel who have worked with the International Cooperation Administration in various capacities throughout the years are now being employed in this new Office of Inspector General-Comptroller. We find no personal fault with those administering the Office of Inspector General-Comptroller but we do feel that the decision to place the inspection of the program in the hands of those who have been intimately associated with its development was a wrong decision.

DANGERS IN THE DEVELOPMENT LOAN FUND

The Development Loan Fund continues to be an adjunct of the foreign-aid program for the making of loans rather than grants. When the Development Loan Fund was created, many of us were given the impression that the making of loans to underdeveloped countries for economic development would result in a reduction of ecoonmic grant assistance. There has been no appreciable reduction in the use of economic grant assistance funds.

Testimony received during the hearings indicates that money in the fund has been earmarked for certain countries without having received from those countries specifications and plans for particular economic projects. As a result of this unorthodox and inefficient procedure, many countries with worthy projects have been denied the assistance that they require because of the lack of funds. Until sound methods are utilized, the Development Loan Fund cannot possibly achieve maximum success.

NEED FOR REVIEW AND REVISION OF MUTUAL SECURITY PROGRAM

In prior years we have expressed our strong conviction that a realistic and objective review of the mutual security program and the legislation by which it is implemented should be immediately undertaken. Although annual revision of the act has been made, the basic legislation has not been thoroughly considered or rewritten since 1954. We are hopeful that the entire mutual security legislation will be reviewed by the committee in the next session of Congress.

Again this year we urge a thorough study, a reappraisal, and a redefining of foreign policies and methods. What is needed is a deeper understanding of the fundamental problems, better programing, and more efficient administration. To continue to vote large appropriations for the mutual security program is not enough. To refuse to face the facts and in the very name of mutual security and freedom fail to demand adequate remedy for current deficiencies would be a negation of our congressional responsibility.

Mr. MORGAN. Mr. Chairman, I yield 8 minutes to the gentleman from Alabama [Mr. SELDEN].

Mr. SELDEN. Mr. Chairman, the authorization in this bill as reported by the committee is $1,318,400,000. This is a reduction of slightly less than 10 percent from the amount requested by the executive branch. This is just about the same percentage by which the committee reduced the executive branch request last year. I hasten to add that the committee does not regard 10 percent as a sacred percentage; the repetition is strictly coincidental.

The amount of this year's bill is, of course, considerably below that of other years because the military authorization and the Development Loan Fund authorization were voted last year. The fact that authorization for these two programs had previously been approved did not deter the committee from going into both of those programs thoroughly. If one examines the hearings, he will note that we have had responsible witnesses address themselves to our military aid program and to the work of the Development Loan Fund just as though they were part of this year's bill. The reason for this was not idle curiosity. It is simply that the mutual security program is a package of related programs that take on meaning only as all the component parts are explained. For example, defense support, an economic activity which is in the bill before the House can only be justified in relation to the military assistance that is not in this bill. The same may be said of special assistance. To cite another example, the extent of our grant aid is determined, in part, by the size of the programs that can be financed from the Development Loan Fund.

Under the able guidance of the chairman of the House Committee on Foreign Affairs, Dr. Thomas Morgan, the committee hearings ran over a period of 17 days. More than 70 witnesses from the executive branch, from the legislative branch, and from private organizations appeared. The result of our work will be found in the printed hearings totaling almost 1,200 pages. These do not, of course, contain all the testimony given. In matters touching upon security there are the usual deletions. But the Members of the House should know that this year, as a result of committee insistence, the deletions have been much fewer than in any year since I have been a committee member.

The hearings were followed by several weeks devoted to the committee's mark-up sessions when all parts of the bill were discussed in great detail. Out of those deliberations came the committee's recommendations cutting the executive branch request by $136,500,000. These reductions are confined to three programs—defense support was reduced $49 million; special assistance was reduced $12,500,000; and the contingency fund was reduced $75 million.

I may add that I supported all of these reductions. It was my amendment that reduced the contingency fund from $175 million to $100 mililon. As the name implies, it is a fund that cannot be programed in advance as can other parts of the program. It is designed to meet emergency conditions that can be expected to arise during the next year. For the current year the appropriation for the contingency fund is $155 million.

The request of the executive branch for fiscal 1961, for the contingency fund in the committee's opinion, can be safely reduced. In the first place, there has been more careful planning throughout the whole program as evidenced by the presentation material. Contingencies, of course, cannot be planned for; but barring some unusual circumstance, the amounts available for the programed activities should be adequate to carry them out and thus permit the contingency fund to be used for the unexpected. Second, the transfer authority of section 501 makes possible the transfer of limited amounts of funds from one type of activity to another.

The reduction in special assistance of $12,500,000 is a reduction of 5 percent from that requested by the executive branch. Defense support was reduced slightly over 7 percent. Last year Congress inserted in the Mutual Security Act a new provision, section 503(c), requiring a report of the plans of the executive branch for progressively reducing and terminating, whether practicable, bilateral grants of economic assistance in the defense support and special assistance categories. Pursuant to the law Under Secretary of State Dillon submitted such a report. Additionally he

gave to the committe a more detailed classified version. Mr. Dillon's principal conclusions included:

Defense support assistance is being provided to 12 countries; substantial special assistance is being provided an additional 10 countries. Furthermore, small programs of special assistance are being extended to nine countries.

For the last group, the limited size of the programs and their special purposes are such that it is not feasible to prepare meaningful plans for their reduction or elimination. They should and will, of course, be subject to an annual assessment of their continuing value in promoting basic U.S. interests. Decisions to modify or eliminate will be taken in the light of that annual review.

Of the remaining 22 programs, progress has been sufficient in 10 of them so that the possibility of terminating grant assistance can be foreseen within a period of 5 years. In the case of eight more programs, our plans call for progressive reductions in grant aid.

Finally, there are three countries in which the situation as of this moment seems intractable, and where I, therefore, consider it to be unrealistic to attempt planning beyond the current fiscal year.

Of course, events over which we have no control may prove Mr. Dillon a false prophet. But this is the first candid appraisal we have had of how we are doing and how soon, in some cases, we may expect to terminate our assistance.

During the past several years the committee's focus has been not only on the dollar amounts but has extended into the whole range of management and organization of the mutual security program. The Office of Inspector General and Comptroller was established last year as a result of the committee's efforts. Unfortunately, this office has been slow in getting underway in the job that we hoped it would accomplish. Also, the Inspector General and Comptroller in building up an organization has drawn to a large extent on personnel already connected with the mutual security program. This, I believe, is unwise. These facts have been pointed out in the committee report with the observation:

Unless the Inspector General and Comptroller clearly demonstrates the effectiveness of his operation during the months to come, the committee intends to take further action to assure that deficiencies in the operations of the program are detected and remedied.

As a result of our committee's work, acting through a specially constituted subcommittee for mutual security review, ICA has reviewed its procedures to require, as a general rule, full readiness for implementation before obligations are incurred. After our subcommittee found large unsubobligated amounts in selected projects, ICA has undertaken a systematic review of projects and has been able to reduce unsubobligated funds from 54 to 23 percent. We noted that there was a lack of adequate local commercial interest on entrepreneurial-type projects. ICA established an Office of Private Enterprise to develop local entrepreneurial interest and action. The Development Loan Fund has emphasized this aspect as shown in securing private participation in a Turkish steel mill project. In Taiwan the expansion of the private sector of the economy has been given greater emphasis.

Those who will examine the classified volumes on the committee table will find they are far more complete than in previous years. Moreover, they contain detailed information showing for countries receiving defense support funds all the relevant factors taken into account to determine the size of the program for that country.

But despite continuing efforts on the part of both the executive and legislative branches of our Government to eliminate waste in the mutual security program, we are all aware that unnecessary expenditures continue. Therefore, as long as the program is necessary for the safety of our Nation, the problem of wasteful spending must be constantly attacked. A vital part of that attack is a careful and continuing review by the legislative branch of our Government.

It may appear painfully commonplace to say that communism is still a threat to our security. World leaders are commuting and communing all around the world. High-level meetings are going on almost continuously. But for all the hustle and bustle I have not been able to detect any positive accomplishments. I must reluctantly conclude that the conditions that I described in this House last year still exist today.

While I fully realize the mutual security program is not all pluses or minuses, I am convinced that it would not be in the national interest to discontinue this program at the present time. Therefore, Mr. Chairman, in again supporting the mutual security bill this year I do so because I am convinced this program is still a necessary part and parcel of the defense effort of our Nation and the free world.

(Mr. MERROW (at the request of Mrs. BOLTON) was given permission to extend his remarks at this point in the RECORD.)

Mr. MERROW. Mr. Chairman, it is my privilege to speak again in behalf of the mutual security program of the United States. I have supported this most important legislation ever since its inception. It is a source of genuine satisfaction to me that it has not only become a major tenet of U.S. foreign policy but of the fabric of security of the free world. I believe just as strongly today in its essential validity as I did when I first examined the initial bill.

FORCE OF MUTUAL SECURITY PROGRAM IN THE WORLD TODAY

Mr. Chairman, we are considering the mutual security program for 1960 today in the dawn of a new decade of the affairs of nations. As we look out into the span of the next 10 years, most of us, I am certain, share my conviction that the present peace of the world can only be maintained through a continuing posture of strength by the United States in the field of foreign affairs.

We see no relaxation in the thrust and purpose of Soviet policy. We know all too well the effects of that policy on the lives of free people. We have seen the military, the political, the economic and the psychological aspects of that policy in action. We have seen one or more of these instruments operate to the disadvantage of the free world in the struggle between democracy and communism for the political organization of men.

We have also seen these techniques turned against the Communists in situations in which the military or political or economic threat to a specfic country has been counterbalanced with outside assistance when the capabilities of the threatened country were clearly inadequate. This has been the great force of the mutual security program in the postwar period on the international posture of the United States and its allies.

SUMMARY OF 1960 PROGRAM

The new program is based on the action of Congress last year in authorizing the military assistance program for 3 years running through fiscal 1962 with such funds as may be necessary, the Development Loan Fund for 2 years running through fiscal 1961 up to $1.1 billion, and three special assistance programs totaling $20.1 million.

This is a total previous authorization of $2.7 plus billion through fiscal 1961. The new program for fiscal year 1961, therefore, sought a new money authorization of $1,454,900,000 for the defense support, technical cooperation, and special assistance elements of economic assistance, plus the contingency fund. The appropriation request is for $4,175 million, making a difference of $2,720,100,000 for which no authorization is required.

The principal money elements of the program requested break down as follows:

Chapter II, economic assistance:	
Title I, defense support	$724,000,000
Title III, technical cooperation	206,500,000
Title IV, special assistance	349,400,000
Total	1,279,900,000
Chapter III, contingency fund	175,000,000
Total	1,454,900,000

The Committee on Foreign Affairs cut $136,500,000, or 9 percent, from the $1,454,900,000 total request. The cut breaks down as follows:

[In thousands]

	Administration request	Committee action	Decrease
Chapter II—Economic Assistance:			
Title I. Defense Support	$724,000	$675,000	−$49,000
Title III. Technical Cooperation	206,500	206,500	
Title IV. Special Assistance	349,400	336,900	−12,500
Total	1,279,900	1,218,400	−61,500
Chapter III—Contingency Fund	175,000	100,000	−75,000
Total	1,454,000	1,318,400	−136,500

I hope the House will accept these figures without further reductions. They have been carefully considered in committee and arrived at after due deliberation. The committee is convinced that they will not seriously hamper the administration in the execution of the program.

ADMINISTRATION OF THE PROGRAM

It has become increasingly apparent that the difficulty with the foreign-aid legislation is not the basic validity of the program or the purposes of the categories of assistance, but the administration of them. The administration of the mutual security program must be under constant surveillance. All errors should be corrected immediately and every effort exercised to bring about proper, efficient, and economical handling of the various projects.

CRITICISMS OF THE PROGRAM

On page 969 of the hearings, as a part of Under Secretary of State Dillon's testimony before the Committee on Foreign Affairs on February 18, will be found various examples provided by ICA of justified criticisms, overdramatized criticisms, and unsubstantiated criticisms. I know of no program conducted by the U.S. Government that has been so thoroughly criticized as has the mutual security program—some of it with justification; some of it without any basis in fact. It has become the whipping boy for about everything one can think of. I have no brief for errors or mistakes, but it seems to me that if we are to approach this matter realistically we must conclude that the remedy is certainly not the scuttling of the program or arbitrarily slashing it to shreds but is in improving its administration.

Secretary Dillon lists five examples of what he calls justified criticisms, two in Vietnam dealing with highways and bridges, and radio towers; two others in Japan and Korea on logistics, and one in Pakistan concerning cantonment construction.

Examples of overdramatized criticisms, as a result of motivated or overzealous newspaper reporters, deal with ship repairs in general, logistics in the Middle East, deep freezers in Vietnam, the Helmand Valley Dam in Afghanistan, and aircraft storage in Iran.

Examples of simply unsubstantiated criticisms, also appearing in the press, following exhaustive Executive investigations, deal with racial discrimination and inequitable distribution of aid in Pakistan, the loan program in Nepal, the American Highway and success of Communist aid in Cambodia, the university project in Laos, transportation costs in Ethiopia, the alleged 84-year supply of oil in Germany, and nylon stockings for WAC's in Korea.

Secretary Dillon's discussion of these criticisms has been intelligently handled and will assist the Members in their review of the program. It will contribute to their understanding of some of the difficulties under which the Executive labors in its administration of a program of this magnitude and complexity.

Mr. Chairman, the Committee on Foreign Affairs has been actively examining the mutual security program since the close of the last session of Congress. I wish to make special mention of the efforts of its Subcommittee for the review of the mutual security program and its staff survey team who spent almost three months on a trip around the world, examining particularly the programs in Korea, in Thailand, and in Iran. The team reported generally favorably on their observations of the program in action. They did, however, inquire into several questionable aspects of administration and were particularly successful in pointing up the need for remedial action in Korea and in Iran.

MUTUAL SECURITY FUNDS AS ESSENTIAL AS OTHER DEFENSE EXPENDITURES

Mr. Chairman, I attempted to accomplish one thing in the hearings on the mutual security program this year with each of the executive principal witnesses. I asked one compelling question. That question was, "Do you feel that the funds which we spend on the mutual security program are as essential for our national security as funds we spend in any other area of defense?"

I want to draw your attention to the specific answers as they appear in the committees' record of the hearings. On page 10, Secretary of State Herter replied on February 17, as follows:

I think they are both an essential part of our security. Obviously we have to have sufficient military strength to deter any sort of aggression on the part of the Communists.

In addition to that, though, we require this type of a program if the process of nibbling away at countries by peaceful means, bit by bit, is something that isn't going to faze us. * * *

This is a problem that we cannot escape. It is one that the free world must cooperate in trying to meet. * * *

If we should abandon the military assistance, I think we would find very soon that our own military expenditures, from the point of view of our Department of Defense budget, would have to be increased many, many times over that which we spend for the military assistance.

Again, on page 54 of the hearings, we hear from Under Secretary of State Dillon: In response to my question if there are any areas in the proposed legislation that cannot be reduced without great risk to our security, Mr. Dillon stated:

I think it is all absolutely required. * * * It is all equally important and equally necessary, and I think it is a minimum amount for the best interests of the United States.

Again, on page 76 of the hearings, Secretary of Defense Gates has stated:

I think it is equally important and equally vital.

On the next page on the same day, General Lemnitzer, Chief of Staff of the Army, speaking for the Chairman of the Joint Chiefs of Staff, says in response to my question:

So long as the threat retains its present scope and magnitude * * * the Joint Chiefs of Staff, in looking at the overall problem, both of our own capabilities and the capabilities of our allies under the mutual security program, believe this figure makes military sense and, as a matter of fact, economic sense. We feel that if any smaller amounts are appropriated, as was the case last year, some very important programs will have to be reduced—reduced below what we believe to be the minimum level at which they should be maintained, and it may be necessary to eliminate some programs in their entirety.

These programs are the very minimum as we see them. These are the programs which the Joint Chiefs of Staff have gone into thoroughly. There will be a reduced level of defense resulting from any reductions in this program. We feel that and feel it very strongly.

These statements, Mr. Chairman, are most persuasive. I am convinced that these witnesses are sincere in what they say. The President has stated, and they have stated, that this is an absolutely vital program to the security of the United States. While they naturally are opposed to any reductions, I am certain that the administration can live with the recommendations of the Foreign Affairs Committee. I opposed the reductions but I am prepared to accept them. My only concern is that no further cut be made in the program at this time.

AID TO CUBA

Mr. Chairman, I wish to invite the attention of the Members to one other matter in connection with this bill. That is the matter of terminating aid to Cuba. I supported the committee's amendment terminating all remaining economic assistance to Cuba, once we had learned that the administration itself had terminated all military assistance.

Even though the amount of economic assistance programed is small, I share the feeling of my colleagues on the committee and millions of Americans who see no hope for improvement of relations with Cuba while Castro is in power. By this action we are hopeful that the Cuban people will recognize this measure as a rebuff to the Government and not to their economy and take appropriate steps to remedy a rapidly deteriorating situation. Provision is made for escape from the restriction if the President determines that it is in the national and hemispheric interest of the United States.

The time has come when we must indicate to Castro, in no uncertain terms, that we do not approve of his unreasonable, intemperate, and flagrant criticism of the United States. Castro must be made to understand that we are fed up with his actions and that we do not intend to give economic assistance—whether under the Mutual Security Act or in the purchase of sugar—while he continues his present policies and vicious attacks on the United States.

Mr. Chairman, the mutual security program is one of the most important pieces of legislation before the Congress. It is a vital and significant instrument of U.S. foreign policy. I hope the House will pass overwhelmingly H.R. 11510.

It has been my privilege to discuss the mutual security program in many sections of the United States. I have found that a large majority of people everywhere are in favor of its continuation. They want it administered effectively and are for the immediate termination of errors. They feel that the mutual security program is one of the most valuable instruments of our foreign policy and believe it is a vital part of our defense in the universal struggle which is joined around the world. We must, in the interests of U.S. security, continue this program with full and adequate funds to make it increasingly effective.

Mrs. BOLTON. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, this bill calls, I have been told, for a rather large appropriation; I ask the gentleman from Iowa whether that is right.

Mr. GROSS. Oh, yes; just $4 billion-plus.

Mr. HOFFMAN of Michigan. Four billion?

Mr. GROSS. That is all.

Mr. HOFFMAN of Michigan. I knew the gentleman had the facts for no one reads the hearings with better result.

Mr. Chairman, it occurred to me that perhaps we should look at the amount with a rather critical eye because, in view of a recent decision by the U.S. Supreme Court last Monday, there is a possibility that we will need far more money here at home. We are all aware of the fact that there are several million people in this country who will need assistance by way of medical care, probably hospitalization—many things. Then, of course, there are the postal workers, the schoolteachers, Federal aid to education, and I can think of a number of additional proposals calling for other additional billions.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. Gladly.

Mrs. BOLTON. Just to correct the record, this bill calls for $1,318,400,000, not the figure of $4 billion that the gentleman mentioned.

Mr. HOFFMAN of Michigan. Will the gentleman from Iowa [Mr. GROSS] accept that correction? I am sure he will.

Mr. GROSS. Oh, I will accept any correction by the gentlewoman from Ohio that has to do with foreign spending.

Mr. HOFFMAN of Michigan. So will I. We know the amount is large. But, when this decision came down—it was printed last night and I read it again this morning—I reached the conclusion that we will need more money here at home. Now, why?

Here is one of the reasons.

There was a time when employees were at the mercy of employers.

Congress recognized the situation and wrote the Wagner law in 1935. Experience demonstrated the need for amendments and, in 1947, the Taft-Hartley Act was enacted.

To further protect and aid workers Congress gave us—45 U.S.C. 151–164—the Norris-LaGuardia Act to protect employees. Section 4 of that act specifically withdrew jurisdiction from a district court to prohibit any person or persons from "ceasing or refusing to perform any work or to remain in any relation or employment in any case involving or growing out of any labor dispute."

Congress declared the policy of the Interstate Commerce Act to be, in part, "to promote economical and efficient transportation services at reasonable charges" and the Court has declared that "it is a primary aim of that policy to secure the avoidance of waste."

In another decision, the Court said:

> Congress has long made the maintenance and development of an economical and efficient railroad system a matter of primary national concern.

The power of the unions to enforce their demands has now grown to such an extent that the life of a business, small or great, depends upon the extent of the union's demands, the ability, not the will of the employer to comply.

For several years I have, time and again, often to the annoyance of my colleagues, requested, tried to insist, that the Congress repeal the Norris-La Guardia Act or make it applicable to labor organizations which were being unduly protected by it.

Though almost insistently calling attention to what has happened, to the need for the enactment and the enforcement of legislation which would bring about some degree of equality, at least a semblance of equal justice under law, a request for legislation obviously not only needed, but necessary if private enterprise is to survive, I have not been able to even get a hearing before the Committee on Education and Labor, a committee of which I am a member, much less action by the Congress on the bills introduced.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. PASSMAN. Of course, the gentleman understands that you must add to this bill now under consideration the amount of the advance authorization that the Foreign Affairs Committee and the Congress granted last year, which was a departure from the manner in which this bill had been handled in the past. So, the appropriation, to carry out the advance authorizations and the new authorizations provided in this bill, would be in excess of $4 billion for the fiscal year 1961, if such an amount should be approved in the appropriation bill, which is now being considered by our Subcommittee on Foreign Operations Appropriations. I am confident that I can say, however, the Appropriations Committee shall not recommend and the Congress shall not approve any such fantastic amount as that.

Mr. HOFFMAN of Michigan. I shall now get back to the thought that I had which was that the Supreme Court, in a way, has turned the tables on us. Congress and Congressmen individually have been rather critical of some of the decisions of the Supreme Court. The Court in this decision has acknowledged that there is this very, very bad condition that exists in connection with labor disputes and legislation and says that something must be done. The judges who wrote the opinion and those who dissented agree that the obligation for needed legislation rests upon, not the Court, but the Congress.

It was last Monday, the 18th, that the U.S. Supreme Court handed down a decision in the case of the Order of Railroad Telegraphers, et al., petitioners, against Chicago and North Western Railway Co., a corporation, which shows the need for the legislation which has been suggested by me.

The Chicago & North Western Railway Co., a corporation, operates a rail system of over 9,000 miles in nine States. It is an integral part of the nationwide railway system which is important to the transportation of passengers and freight in interstate commerce. The railroad has twice been involved in bankruptcy; during the last quarter of 1956, operated at a loss of $8 million.

Under laws enacted by the Congress and the States, it was found that it was operating certain sections of its lines at a loss and secured permission to close those sections of its road.

The union threatened to strike. The company sought an injunction restraining the calling of the strike because, as it alleged, under Federal legislation it was for an unlawful purpose. The Supreme Court held that a labor dispute was involved and overruled the decision of the Court of Appeals for the Seventh District, which had made the injunction permanent.

It is obvious that, if the railroad cannot exercise its option to abandon the unproductive portions of its system, it must go out of business, but that the remedy lay in legislation by the Congress.

The majority opinion stated:

> It may be, as some people think, that Congress was unwise in curtailing the jurisdiction of Federal courts in railroad disputes as it did in the Norris-LaGuardia Act. Arguments have even been presented here pointing to the financial debilitation of the respondent Chicago & North Western Railroad and to the absolute necessity for the abandonment of railroad stations. These arguments, however, are addressed to the wrong forum. If the scope of the Norris-LaGuardia Act is to be cut down in order to prevent waste by the railroads, Congress should be the body to do so. Such action is beyond the judicial province and we decline to take it.

It is conceded that, if the section of line which the company desires to abandon is closed, the jobs now held by certain union men will end. The union insisted that, under present legislation, that could not be done even though some of the employees who would lose their jobs now worked as little as 12 minutes a day, though the average daily work time on its one-man stations is only 59 minutes; that all receive a full day's pay and that in some cases the hourly rate was as high as $300 per hour.

If it be argued that union employees should be permitted to strike—unless the company submitted to its demands—it might be well to read the statement of Mr. Justice Clark as hereinafter printed—which is, in effect, that granting the union the right to tell the company when it presents its request to negotiate to go to ——. See the second paragraph of Justice Clark's opinion as hereinafter printed.

To me, a pertinent observation is to ask the five members of the Supreme Court to justify the strike as to just where the company is to get the funds to comply with the demand of the union if and when it calls a strike. Will the Court issue process and follow through

to the resources of the individual stockholders or will the union come to Congress with a demand for an oppropriation of funds sufficient to enable the unneeded nonworking employees to continue to do nothing at public expense? If that be true, should we not save a part of the money called for by the pending bill for future use?

Realizing the utter futility of inducing this Congress to enact obviously needed, obviously necessary remedial legislation, I will not longer take the time of the House, other than to read an editorial from the morning Chicago Tribune which gives a concise and accurate view of the problem. It reads as follows:

ANOTHER BLOW AT THE RAILROADS

No matter what the railroads do, some agency of the Government tells them it's wrong.

Two years ago a Senate committee bawled out the railroads for not doing enough to help themselves. Among the things specifically recommended by the committee was abandonment or consolidation of nonpaying branch and secondary lines. About the same time the Chicago and North Western railway, which was in poor financial shape, sought to better itself by eliminating full-time agents at several hundred little-used stations. Permission to do so was obtained from the public utility commissions of South Dakota, Iowa, Minnesota, and Wisconsin.

The railroad did not propose to throw out all the superfluous agents without notice and without compensation. It suggested to the telegraphers union several means of cushioning the effects. The agents no longer needed might be transferred to other jobs or granted severance pay, or have their jobs abolished only through death, retirement, or resignation. The union countered by threatening to strike unless the North Western promised that no job existing on December 3, 1957, would be abolished except by agreement between the railroad and union.

The North Western sued for an injunction to restrain the strike. The Federal district court in Chicago refused to issue an injunction, but the court of appeals reversed the lower court, holding that "this is an attempt by the union to arrogate to itself the prerogatives that have been traditionally and rightfully management's, while, at the same time, assuming none of the corresponding burdens and responsibilities."

Now the U.S. Supreme Court, in a 5-to-4 decision, has reversed the court of appeals. The majority opinion, written by Mr. Justice Black, noted the railroad's contention that station abandonments were necessary but held that, under the circumstances, the courts were barred by the Norris-La Guardia Act from enjoining a strike.

"If the scope of the act is to be cut down in order to prevent waste by the railroads, Congress is the body to do so," the Court held.

Mr. Justice Whittaker, who wrote the principal dissenting opinion, concluded that a lawful labor dispute was not involved and that therefore the Norris-La Guardia law was not applicable. Mr. Justice Clark, in a separate dissenting opinion, said he did not believe Congress intended to put the railroads in such a situation.

In view of the Court's decision, it is obviously the duty of Congress to clarify this matter without delay. On the one hand Congress cannot berate the railroads for being inefficient while at the same time requiring them by law to be inefficient.

The question here goes far beyond the telegraphers on the North Western Railway. All the railroads and their employees are involved. The question is whether a railroad must get the consent of a union whenever it wishes to abolish a job made unnecessary by changing conditions or technological improvements. As Mr. Justice Clark said, "Everyone knows what the answer of the union will be."

If the unions are to have veto power over the abolishment of jobs there is no chance for the railroads to help themselves.

The decision to which reference has been made by me and by the Tribune reads as follows:

DECISION

(Supreme Court of the United States—No. 100—October term, 1959; *The Order of Railroad Telegraphers, et al., Petitioners, v. Chicago and North Western R. Co., a Corporation;* on writ of certiorari to the U.S. Court of Appeals for the Seventh Circuit.)

(April 18, 1960)

Mr. Justice Black delivered the opinion of the Court.

According to the verified complaint filed in a United States District Court in Illinois by the respondent, Chicago & North Western Railway Co., against the petitioner, the Order of Railroad Telegraphers and its labor union officials, "This is an action for injunction to restrain and enjoin the calling and carrying out of a wrongful and unlawful strike or work stoppage on plaintiff's railroad." Section 4 of the Norris-LaGuardia Act provides, however, that "No court of the United States shall have jurisdiction to issue any restraining order or temporary or permanent injunction in any case involving or growing out of any labor dispute to prohibit any person or persons from (a) Ceasing or refusing to perform any work or to remain in any relation of employment."[1] The main question in this case then was, and still is, whether this prohibition of the Norris-LaGuardia Act bars an injunction in the circumstances of this case.

Respondent railroad, owning and operating a rail system over 9,000 miles in the States of Illinois, Wisconsin, Iowa, Minnesota, Michigan, Nebraska, South Dakota, North Dakota, and Wyoming, is an integral part of the nationwide railway system important to the transportation of passengers and freight in interstate commerce. When the railroad began operations, about 100 years ago, traffic was such that railroad stations were established about 7 to 10 miles apart. Trucks, automobiles, airplanes, barges, pipelines, and modern roads have reduced the amount of railroad traffic so that the work now performed at many of these stations by agents is less than 1 hour during a normal 8-hour day. Maintenance of so many agencies where company employees do so little work, the complaint alleges, is wasteful and consequently in 1957 the railroad filed petitions with the public utility commissions in four of the nine States in which it operated, asking permission to institute a "central agency plan whereby certain stations would be made central agencies * * *," and others abolished. The plan would necessarily result in loss of jobs for some of the station agents and telegraphers, members of the petitioner union. A few weeks after the State proceedings were filed and before any decision had been made, the petitioner union, the duly recognized, certified, and acting collective bargaining agent for the railroad's employees, notified the railroad under section 6 of the Railway Labor Act, 45 U.S.C., section 156, that it wanted to negotiate with the railroad to amend the current bargaining agreement by adding the following rule:

"No position in existence on December 3, 1957, will be abolished or discontinued except by agreement between the carrier and the organization."

The railroad took the position, according to its complaint, that this request did not constitute a "labor dispute under the Railway Labor Act," that it did not raise a bargainable issue, and that the union had no right to protest or to seek relief except by appearing before the State public utility commissions which had power to determine whether station agencies could be discontinued, a power which private parties could not thwart by entering into a bargaining agreement. The respondent added that maintenance of the unnecessary agencies was offensive to the national transportation policy Congress adopted in the Interstate Commerce Act, 49 U.S.C., sections 1–27, and that the duties that act imposed on railroads could not be contracted away.

The union contended that the District Court was without jurisdiction to grant injunctive relief under the provisions of the Norris-LaGuardia Act because this case involved a labor dispute, and that the railroad had refused to negotiate in good faith on the proposed change in the agreement in violation of section 2, First, of the Railway Labor Act, 45 U.S.C., section 152, First, which requires the railroad to exert every reasonable effort to make and maintain agreements concerning rates of pay, rules and working conditions. Therefore, the union argued, an injunction in Federal court is barred if for no other reason because of section 8 of the Norris-LaGuardia Act which provides:

"No restraining order or injunctive relief shall be granted to any complainant who has failed to comply with any obligation imposed by law which is involved in the labor dispute in question, or who has failed to make every reasonable effort to settle such dispute either by negotiations or with the aid of any available governmental machinery of mediation or voluntary arbitration" (29 U.S.C., section 106.)

See *Brotherhood of Railroad Trainmen* v. *Toledo, P. & W.R. Co.*, (321 U.S. 50).

After hearings, the district court found, so far as is relevant here, that the railroad "refused to negotiate, confer, mediate or otherwise treat with defendant telegraphers on the proposed change in agreement set forth in the section 6 notice," although the railroad "did show willingness to negotiate upon the central agency plan, including a possibility concerning severance pay;" that the proposed contract change referred to in the section 6 notice "relates to the length or term of employment as well as stabilization of employment" and that collective bargaining as to the length or term of employment is common place; that "the dispute giving rise to the proposed strike is a major dispute and not a minor grievance under the Railway Labor Act, and no issue involved therein is properly referable to the National Railroad Adjustment Board";[2] and that the contract change proposed in the section 6 notice, related to "rates of pay, rules and working conditions," and was therefore a bargainable issue under the Railway Labor Act. On its findings and conclusions of law, the district court granted temporary relief but declined to grant a permanent injunction on the ground that it was without jurisdiction to do so.

On appeal the court of appeals did grant a permanent injunction upon its decision that "the district court's finding that the proposed contract change related to rates of pay, rules, or working conditions, and was thus a bargainable issue under the Railway Labor Act, is clearly erroneous."[3] It held that the Norris-LaGuardia Act did not apply

[1] 47 Stat. 70, 29 U.S.C., sec. 104.

[2] See *Brotherhood of Railroad Trainmen* v. *Chicago River & I.R. Co.* (353 U.S. 30).

[3] *Chicago & N.W.R. Co.* v. *Order of Railroad Telegraphers* (264 F. 2d 254, at 260).

to bar an injunction against this strike,[4] and we granted certiorari (361 U.S. 809), to consider this important question.[5]

We hold, with the district court, that this case involves or grows out of a labor dispute within the meaning of the Norris-LaGuardia Act and that the district court was without jurisdiction permanently to enjoin the strike.

Section 4 of the Norris-LaGuardia Act specifically withdraws jurisdiction from a district court to prohibit any person or persons from ceasing or refusing to perform any work or to remain in any relation of employment in any case involving or growing out of any labor dispute as herein defined.[6] Section 13(c) of the act defines a labor dispute as including "any controversy concerning terms or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment, regardless of whether or not the disputants stand in the proximate relation of employer and employee." [7]

Unless the literal language of this definition is to be ignored, it squarely covers this controversy. Congress made the definition broad because it wanted it to be broad. There are few pieces of legislation where the congressional hearings, committee reports and the language in the legislation itself more clearly point to the necessity for giving an act a construction that will protect the congressional policy the act adopted. Section 2 of this act specifies the public policy to be taken into consideration in interpreting the act's language and in determining the jurisdiction and authority of Federal courts; it is one of freedom of association, organization, representation, and negotiation on the part of workers,[8] The hearings and committee reports reveal that Congress attempted to write its bill in unmistakable language because it believed previous measures looking toward the same policy against nonjudicial intervention in labor disputes had been given unduly limited constructions by the courts.[9]

Plainly the controversy here relates to an effort on the part of the union to change the "terms" of an existing collective bargaining agreement. The change desired just as plainly referred to "conditions of employment" of the railroad's employees who are represented by the union. The employment of many of these station agents inescapably hangs on the number of railroad stations that will either be completely abandoned or consolidated with other stations. And, in the collective bargaining world today, there is nothing strange about agreements that affect the permanency of employment. The district court's finding that "collective bargaining as to the length of term of employment is commonplace," is not challenged.

We cannot agree with the court of appeals that the union's efforts to negotiate about the job security of its members "represents an attempt to usurp legitimate managerial prerogative in the exercise of business judgment with respect to the most economical and efficient conduct of its operations." [10] The Railway Labor Act and the Interstate Commerce Act recognize that stable and fair terms and conditions of railroad employment are essential to a well-functioning national transportation system. The Railway Labor Act safeguards an opportunity for employees to obtain contracts through collective rather than individualistic bargaining. Where combinations and consolidations of railroads might adversely affect the interests of employees, Congress in the Interstate Commerce Act has expressly required that before approving such consolidations the Interstate Commerce Commission "shall require a fair and equitable arrangement to protect the interests of the railroad employees affected." [11] It requires the Commission to do this by including "terms and conditions" which provide that for a term of years after a consolidation employees shall not be "in a worse position with respect to their employment" than they would otherwise have been.[12]

In 1942 this Court held that when a railroad abandons a portion of its lines, the Interstate Commerce Commission has power to include conditions for the protection of displaced workers in deciding "what the public convenience and necessity may require." We so construed the Interstate Commerce Act specifically on the basis that imposition of such conditions "might strengthen the national system through their effect on the morale and stability of railway workers generally." *Interstate Commerce Commission* v. *Railway L. Exec. Assn.* (315 U.S. 373, 378), citing *United States* v. *Lowden* (308 U.S. 225). The brief for the railroad associations there called our attention to testimony previously given to Congress that as early as 1936 railroads representing 85 percent of the mileage of the country had made collective bargaining agreements with their employees to provide a schedule of benefits for workers who might be displaced or adversely affected by coordinations or mergers.[13] In an effort to prevent a disruption and stoppage of interstate commerce, the trend of legislation affecting railroads and railroad employees has been to broaden, not narrow, the scope of subjects about which workers and railroads may or must negotiate and bargain collectively. Furthermore, the whole idea of what is bargainable has been greatly affected by the practices and customs of the railroads and their employees themselves. It is too late now to argue that employees can have no collective voice to influence railroads to act in a way that will preserve the interests of the employees as well as the interests of the railroad and the public at large.

The railroad has argued throughout the proceedings that the union's strike here may be enjoined, regardless of Norris-LaGuardia, because its effort to bargain about the consolidation and abandonment of railroad stations is unlawful. It is true that in a series of cases where collective bargaining agents stepped outside their legal duties and violated the act which called them into being, we held that they could be enjoined.[14] None of these cases, however, enjoined conduct which the Norris-LaGuardia Act withdrew from the injunctive power of the Federal courts except the Chicago River case which held that a strike could be enjoined to prevent a plain violation of a basic command of the Railway Labor Act "adopted as a part of a pattern of labor legislation." 353 U.S. 30, 42. The Court there regarded as inapposite those cases in which it was held that the Norris-LaGuardia Act's ban on Federal injunctions is not lifted because the conduct of the union is unlawful under some other, nonlabor statute.[15] Here, far from violating the Railway Labor Act, the union's effort to negotiate its controversy with the railroad was in obedience to the act's command that employees as well as railroads exert every reasonable effort to settle all disputes "concerning rates of pay, rules, and working conditions." 45 U.S.C., section 2, first. Moreover, neither the respondent nor anyone else points to any other specific legal command that the union violated here by attempting to bring about a change in its collective bargaining agreement. It would stretch credulity too far to say that the Railway Labor Act, designed to protect railroad workers, was somehow violated by the union acting precisely in accordance with that act's purpose to obtain stability and permanence in employment for workers. There is no express provision of law, and certainly we can infer none from the Interstate Commerce Act, making it unlawful for unions to want to discuss with railroads actions that may vitally and adversely affect the security, seniority, and stability of railroad jobs.[16] And for a number

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[4] *Ibid.* See *Brotherhood of Railroad Trainmen* v. *New York Central R. Co.* (246 F. 2d 114). But see *Bull Steamship Co.* v. *Seafarers' International Union* (250 F. 2d 326).

At the time of the district court's decision, two States (South Dakota and Iowa) of the four in which the railroad had sought permission to institute its central agency plan (the other two were Minnesota and Wisconsin) had granted permission, and the plan was promptly placed in effect. Since then, we are given to understand, the commissions in the remaining two States have issued orders approving the plan.

[5] Compare *Marine Cooks & Stewards* v. *Panama Steamship Co.* (— U.S. —) decided this day.

[6] 29 U.S.C., sec. 104.

[7] 29 U.S.C., sec. 113(c).

[8] 29 U.S.C., sec. 102.

[9] See *Allen Bradley Co.* v. *Local Union No. 3* (325 U.S. 797.805); *United States* v. *Hutcheson* (312 U.S. 219, 230–236); *Milk Wagon Drivers' Union* v. *Lake Valley Farm Products* (311 U.S.C. 91, 102–103).

[10] 264 F. 2d, at 259.

[11] 49 U.S.C., sec. 5(f). And see sec. 5(c).

[12] 49 U.S.C., sec. 5(f).

[13] Hearings before the House Committee on Interstate and Foreign Commerce on H.R. 2531, H.R. 4862, 76th Cong., 1st sess. 216–217.

[14] *Brotherhood of Railroad Trainmen* v. *Chicago River & I.R. Co.* (353 U.S. 30); *Brotherhood of Railroad Trainmen* v. *Howard* (343 U.S. 768); *Graham* v. *Brotherhood of Locomotive Firemen & Enginemen* (338 U.S. 232); *Tunstall* v. *Brotherhood of Locomotive Firemen & Enginemen* (323 U.S. 210); *Virginian R. Co.* v. *System Federation No. 40* (300 U.S. 515). See also *Textile Workers Union* v. *Lincoln Mills* (353 U.S. 448, 457–459). And see *Steele* v. *Louisville & N.R. Co.* (323 U.S. 192).

[15] The Court cited the following cases to show that unlawfulness under nonlabor legislation did not remove the restrictions of the Norris-LaGuardia Act upon the jurisdiction of Federal courts: *Milk Wagon Drivers' Union* v. *Lake Valley Farm Products, Inc.* (311 U.S. 91, 103 (alleged violations of Sherman Act)); *East Texas Motor Freight Lines* v. *International Brotherhood of Teamsters* (163 F. 2d 10, 12 (violation of Interstate Commerce Act and Motor Carriers' Act)).

Of course, a holding here that mere unlawfulness under any law is enough to remove the strictures of the Norris-LaGuardia Act, would require a modification or abandonment of our statement that "For us to hold, in the face of this legislation, [the Clayton and Norris-LaGuardia Acts] that the Federal courts have jurisdiction to grant injunctions in cases growing out of labor disputes, merely because alleged violations of the Sherman Act are involved, would run counter to the plain mandate of the [Norris-LaGuardia] Act and would reverse the declared purpose of Congress." *Milk Wagon Drivers' Union* v. *Lake Valley Farm Products, Inc.* (311 U.S. 91, 103). See also *Lee Way Motor Freight* v. *Keystone Freight Lines* (126 F. 2d 931, 934).

[16] Moreover, this railroad operates in nine States; it has instituted proceedings in the State regulatory commissions of four only and at the time of the district court's decision, only two of these had rendered decisions. Yet the union's proposal was to negotiate for a clause which would apply to respondent's entire system. The railroad's refusal to bargain was not limited, however, to operations in the four States in which proceedings had begun. And even assuming that the order of one State, South Dakota,

of reasons the State public utility proceedings, invoked by the railroad to obtain approval of consolidation or abandonment of stations, could not stamp illegality on the union's effort to negotiate this whole question with the railroad. The union merely asked for a contractual right to bargain with the railroad about any voluntary steps it might take to abandon stations or to seek permission to abandon stations and thus abolish jobs. Nothing the union requested would require the railroad to violate any valid law or the valid order of any public agency. There is no testimony and there are no findings that this union has set itself up in defiance of any State mandatory order. In fact, there was no State order of any kind at the time the union first asked to negotiate about the proposed contractual change. Even if a Norris-LaGuardia "labor dispute" could not arise out of an unlawful bargaining demand, but see *Afran Transp. Co.* v. *National Maritime Union,* 1959 Am. Mar. Cas. 326, the union's proposal here was not unlawful.

The union contends that, whether the State rulings were mandatory or permissive, the States are without authority to order an abandonment of stations that would conflict with collective bargaining agreements made or to be made between the railroad and the union. Whether this contention is valid or not we need not decide since there is no such conflict before us. And the district court expressly refused to find that the union's proposal was prompted by the railroad's action in seeking State authority to put its central agency plan into effect. Instead, the district court specifically found that the dispute grew out of the failure of the parties to reach an agreement on the contract change proposed by the union.

Only a word need be said about the railroad's contention that the dispute here with the union was a minor one relating to an interpretation of its contract and therefore one that the Railway Labor Act requires to be heard by the Railway Adjustment Board. We have held that a strike over a minor dispute may be enjoined in order to enforce compliance with the Railway Labor Act's requirement that minor disputes be heard by the Adjustment Board. *Brotherhood of Railroad Trainmen* v. *Chicago River & I.R. Co.* (353 U.S. 30). But it is impossible to classify as a minor dispute this dispute relating to a major change, affecting jobs, in an existing collective bargaining agreement, rather than to mere infractions or interpretations of the provisions of that agreement. Particularly since the collective bargaining agreement which the union sought to change was a result of mediation under the Railway Labor Act, this is the type of major dispute that is not governed by the Adjustment Board.

In concluding that the injunction ordered by the court of appeals is forbidden by the Norris-LaGuardia Act, we have taken due account of the railroad's argument that the operation of unnecessary stations, services, and lines is wasteful and thus runs counter to the congressional policy, expressed in the Interstate Commerce Act, to foster an efficient national railroad system. In other legislation, however, like the Railway Labor and Norris-LaGuardia Acts, Congress has acted on the assumption that collective bargaining by employees will also foster an efficient national railroad service. It passed such acts with knowledge that collective bargaining might sometimes increase the expense of railroad operations because of increased wages and better working conditions. It goes without saying, therefore, that added railroad expenditures for employees cannot always be classified as wasteful. It may be, as some people think, that Congress was unwise in curtailing the jurisdiction of Federal courts in railroad disputes as it did in the Norris-LaGuardia Act. Arguments have even been presented here pointing to the financial debilitation of the respondent Chicago & North Western Railroad and to the absolute necessity for the abandonment of railroad stations. These arguments, however, are addressed to the wrong forum. If the scope of the Norris-LaGuardia Act is to be cut down in order to prevent waste by the railroads, Congress should be the body to do so. Such action is beyond the judicial province and we decline to take it.

There are other subsidiary questions raised with reference to the validity of a second 30-day restraining order issued by the district judge and an injunction pending appeal under Rule 62(c) of the Federal Rules of Civil Procedure. But since we have determined the main controversy between the parties, we think it inadvisable to decide either of these questions now. We intimate no opinion concerning either at this time.

The judgment of the court of appeals is reversed and that of the district court is affirmed insofar as it held that the court was without jurisdiction under the Norris-LaGuardia Act to enter the injunction.

It is so ordered.

(Supreme Court of the United States—No. 100—October term, 1959: *The Order of Railroad Telegraphers et al., Petitioners* v. *Chicago and North Western R. Co., a corporation*—On writ of certiorari to the U.S. Court of Appeals for the Seventh Circuit.)

(April 18, 1960)

Mr. Justice Clark, dissenting.

The respondent, suffering from financial headaches, conducted an efficiency survey of its operations. This indicated that it was carrying considerable deadweight on its payroll in the form of local one-man stations. Some of its local agents worked as little as 12 minutes a day and the average daily worktime on its one-man stations was only 59 minutes. All drew a full day's pay. In fact, the pay for time worked, it was found, ran in some cases as high as $300 per hour. Meanwhile, the railroad was facing a slow death for lack of funds—all to the ultimate but certain detriment of the public, the employees, and the management. It then proposed—and, after hearings, four States approved—a consolidation of work so that an agent would have sufficient duties to perform to earn a full day's pay. This would also permit the railroad, without any curtailment of its service to the public, to reduce its employee force over its entire system by several hundred agents. It proposed to negotiate with the union as to the severance pay and other perquisites for those agents whose services would no longer be needed. This the union refused to do, demanding that before any agent's position be abolished the railroad obtain its consent. The union offered but one alternative: "comply with" its demand or suffer a "strike." The railroad, in the face of such a ukase, brought this suit.

Today the Court tells the railroad that it must bargain with the union or suffer a strike. The latter would be the death knell of the railroad. Hence, for all practical purposes, the Court is telling the railroad that it must secure the union's approval before severing the hundreds of surplus employees now carried on its payroll. Everyone knows what the answer of the union will be. It is like the suitor who, when seeking the hand of a young lady, was told by her to "go to father." But, as the parody goes, "She knew that he knew that her father was dead; she knew that he knew what a life he had led; and she knew that he knew what she meant when she said 'go to father.'"

I do not believe that the Congress intended to put the railroads in such a situation. In fact, its overall purpose has been to prevent the devastating effects of strikes from paralyzing our transportation systems, the efficient operation of which is so vital to the public welfare. As I read the Interstate Commerce Act—the provisions of which were reaffirmed as late as the Transportation Act of 1958—the Congress told the railroads to go to the States—not the union—before abandoning or consolidating its local stations. Respondent went to the States and obtained their approval. The Court today gives to the union a veto power over this action of the States. Until this power is removed, the railroads will continue to be plagued with this situation—so foreign to the concept of a fair day's pay for a fair day's work, which has been the basis of union labor's great achievements.

For this reason, as well as those so ably enumerated by my Brother Whittaker in his dissent, which I join, I am obliged to disagree with the Court. Perhaps the Congress will be obliged, in the face of this ruling, to place the solution of such problems within the specific power of the Interstate Commerce Commission or under the Railway Labor Act, each of which, as well as the courts, is today held impotent.

(Supreme Court of the United States—No. 100—October Term, 1959—*The Order of Railroad Telegraphers, et al., petitioners* v. *Chicago and North Western R. Co., a Corporation*—On Writ of Certiorari to the U.S. Court of Appeals for the Seventh Circuit.)

(April 18, 1960)

Mr. Justice Whittaker, with whom Mr. Justice Frankfurter and Mr. Justice Clark join, dissenting.

The Court concludes, as I read its opinion, that the union's demand for a covenant that no existing position may be abolished without its consent was a lawfully bargainable one under the Railway Labor Act; that the Union did not, by its demand, attempt unlawfully to "set itself up in defiance of" public regulatory orders; that the "union merely asked for a contractual right to bargain with the railroad about * * * abandon[ing] stations * * * and thus abolish[ing] jobs"; that "[e]ven if a Norris-LaGuardia 'labor dispute' could not arise out of an unlawful bargaining demand * * * the union's proposal here was not unlawful," and that the Norris-LaGuardia Act deprived the court of jurisdiction to enjoin the threatened strike to enforce acceptance of the union's demand.

With all deference, I believe that these conclusions are contrary to the admitted or indubitable facts in the record, to the provisions and policies of acts adopted by Congress, and also to principles established by many decisions of this Court; and being fearful that the innovation and reach of the Court's conclusions will be destructive of congressional policy and injurious to the public interest, I feel compelled to state my dissenting views.

Inasmuch as I read the record somewhat differently than does the court, my first effort will be to make a plain and chronological statement of the relevant facts.

The Chicago and North Western Railway Co. (North Western) is a major interstate common carrier by railroad. The Order of Railroad Telegraphers (union) is a railway labor union, certified by the National Mediation Board as the representative of the station agents and various other employees of North Western. North Western's lines extend westerly and northerly from Chicago into and serve nine largely agricultural Midwestern States. They were laid out and

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was mandatory and that this fact is of importance, it would not relieve the railroad from any duty it had to bargain on the proposed contract change in the eight other States involved.

constructed near the middle of the last century, and, to accommodate that day's mode and conditions of rural travel, stations were established at close intervals along its lines—one every 7 to 10 miles along its branch lines through rural sections—to enable its patrons to travel, by horse or horses and wagon over dirt roads, from their homes to the station and return in 1 day.

Although originally an efficient and profitable railroad, North Western, in more recent years, failed both to maintain and to modernize its lines, facilities and equipment, and also permitted many outmoded, inefficient and wasteful practices to continue—producing the highest ratio of wage and salary expense to the revenue dollar of all major American railroads—resulting ultimately in its inability effectively to compete with new forms of transportation, or even with modernized railroads. In consequence, its net revenues so steadily and extensively declined that it lost $8 million in the first quarter of 1956, and this so reduced its cash position that its payrolls of $330,000 per day to its 18,000 employees were in jeopardy.

Alarmed by these conditions, North Western's new managers undertook a number of steps in the spring of 1956 to improve its physical condition and competitive position, including the elimination of many outmoded, costly, and wasteful practices. It then had several hundred one-man stations, principally located on branch lines from which—due to lack of need, occasioned by the advent of paved roads and motorized vehicles—all passenger trains and many freight trains had been removed and over which the few remaining freight trains passed at hours when many of the agents were not even on duty.[1] Its studies disclosed many instances where such agents were drawing a full day's pay for as little as 15 to 30 minutes work. Conceiving this to be a wasteful practice and violative of the national transportation policy,[2] North Western promulgated a plan—known as its central agency plan—which contemplated the discontinuance of a full-time agent at most of such stations and provided, instead, for a centrally located agent to perform the necessary agency services at the central station and also at the neighboring station or stations to either side.

Accordingly, North Western filed petitions with the public utility commissions of South Dakota, Iowa, Minnesota, and Wisconsin to effectuate its central agency plan. The first of those petitions was filed with the South Dakota commission on November 5, 1957, asking authority to effectuate the central agency plan with respect to 69 one-man stations in that State. Hearings were held by that commission beginning November 26, 1957, and ending January 17, 1958. The union appeared in that proceeding, presented evidence, a brief, and an oral argument in opposition to the petition. It contended, among other things, that its existing bargaining agreement with North Western prohibited abolishment of any agency jobs without its consent. On May 9, 1958, the commission entered its order. It found that the workload of the agents at the stations involved varied from 12 minutes to 2 hours per day and averaged 59 minutes per day. It further found:

"That the maintenance of full-time agency service at all of the subject stations, because of the lack of public need, constitutes mismanagement, and a dissipation of carrier's revenues which has and will impair its capacity to render adequate railway service to the public at reasonable rates." [3]

Thereupon the commission, electing to act under a South Dakota statute authorizing it to order changes to be made in station operations where necessary in the public interest, directed North Western to make the plan (establishing 16 central agency stations and abolishing 53 full-time agency positions) effective immediately.

On December 23, 1957, about 6 weeks after North Western filed its petition with the South Dakota Commission, the union, purporting to act under the provisions of section 6 of the Railway Labor Act,[4] sent a letter to North Western requesting that their bargaining agreement be amended by adding the following provision:

"No position in existence on December 3, 1957, will be abolished or discontinued except by agreement between the carrier and the organization."

North Western responded the next day, saying that it did not consider the request to be a proper subject of bargaining,[5] but it offered, without waiving its position, to meet with the union's officers and to discuss the matter further. Conferences were thereafter held by the parties but no agreement was reached, and the union invoked mediation under the Railway Labor Act. On February 24, 1958, the National Mediation Board began its efforts to mediate the controversy, and its representative conducted a number of meetings between the parties to that end,[6] but was not successful, and thereafter the Board, acting pursuant to section 5, first, of the Railway Labor Act,[7] wrote the parties on May 27, requesting them to submit the controversy to arbitration under the provisions of section 8 of the Railway Labor Act.[8] But both parties declined—the union on May 28 and North Western on June 12—and on June 16 the Board terminated its services and so advised the parties in writing.

On July 10, the union sent to its members a strike ballot under an accompanying letter.[9] The vote was almost unanimous in favor of a strike, and, on August 18, the union called a strike of its members to begin at 6 a.m. on August 21.[10] A renewed proffer of mediation services by the Board was accepted by the parties and, through it, further efforts were made on August 19 to compose the controversy, but without success, and, on August 20, the Board again advised the parties that it had terminated its services.

On August 20, North Western filed a complaint against the union and various of its officials in the U.S. District Court for the Northern District of Illinois, alleging that the union's contract demand was not a lawfully bargainable subject under the Railway

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[1] The fact that many of these agents were not on duty when the freight trains passed their stations was due to a union requirement that their day's work must begin at 8:30 a.m.

[2] Act of Sept. 18, 1940, ch. 722, title I, sec. 1, 54 Stat. 899, preceeding pt. I of the Interstate Commerce Act, 49 U.S.C. sec. 1, titled "National Transportation Policy." In pertinent part, it provides: "It is hereby declared to be the national transportation policy of the Congress to provide for fair and impartial regulation of all modes of transportation subject to the provisions of this act * * * to promote safe, adequate, economical, and efficient service and foster sound economic conditions in transportation and among the several carriers."

[3] The South Dakota commission further found that the expenses of operating the 69 stations involved exceeded related revenues by $170,399 in 1956, and that if the central agency plan had been in effect during that period there would have been a surplus of $58,884.

Hearings were afterward conducted upon the similar petitions before the Iowa, Minnesota, and Wisconsin commissions. The union appeared in each of those proceedings and presented evidence, briefs, and arguments in opposition to the petitions, but each was granted.

The Iowa commission found that the agents at the stations there involved worked an average of 1 hour and 14 minutes per day, a decrease of 28 percent since 1951, and that the estimated average workload under the central agency plan would be 3 hours and 15 minutes per day. It said, inter alia, "Savings must be made by reducing or eliminating service no longer needed. The case before us is a proposal to reduce agency service to the level of actual need." And it found that such was necessary "to insure efficiency, economy, and adequate railway transportation."

The union appealed from the orders of the respective commissions to the courts of the respective States, but the commission action was affirmed in each instance.

[4] 48 Stat. 1197, 45 U.S.C. sec. 156.

[5] North Western's reply stated, inter alia, that, in its view, the union's request was "not a proper subject for a section 6 notice in that it does not in fact concern rules, rates of pay, or working conditions, but instead constitutes an attempt to freeze assignments regardless of the controlling agreement and regardless of the necessity or justification for such assignments."

[6] In the mediation meetings and other meetings between the parties, North Western suggested several means of cushioning the effects of discontinuing these one-man agency jobs, including (1) the transfer of the agents affected to productive jobs; (2) the limiting of job abolishments to an agreed number per year; and (3) the payment of supplemental unemployment benefits to employees affected. The union refused to discuss these proposals.

At a meeting between North Western's chief executive officer and the union's president and its general counsel at Madison, Wis., during the period of the mediation efforts, North Western's official asked if there was any possibility of working out these station-closing matters and the discontinuance of these station agents either on a South Dakota or a system basis. The union's president asked his general counsel for his views on the matter. The latter replied, "I think we are too far apart," and North Western's official then said, "I want you to know that my door is always open."

The union's president testified at the subsequent district court trial that "* * * the only alternative which up to the present I have offered the North Western Railroad was to comply with this rule or strike."

[7] 155 U.S.C. sec. 5, first.

[8] 45 U.S.C. sec. 158.

[9] The union's letter of July 10, 1958, after referring to the efforts of North Western to abolish many of the one-man agency jobs and to the union's efforts in opposition, stated among other things: "However, it became evident at an early date that to meet this onslaught effectively would require strengthening of our agreements. * * * We must prevent a continuance of such a program.

"While we hope the commissions in the other States will be more reasonable than the South Dakota commission, we have no assurance that we will not soon see a repetition in other States of what has happened in South Dakota."

[10] The strike call, after referring to the union's efforts to prevent the abolishment of jobs at one-man stations said, inter alia, that: "The need for the proposed rule has again been tragically demonstrated in the last few days. What happened in South Dakota was repeated in Iowa except that this time 70 positions were abolished and 27 assignments enlarged."

Labor Act; that the impending strike, called to force aeceptance of that demand by North Western, would be illegal; that North Western had a right arising under the laws of the United States, particularly the Interstate Commerce Act and the Railway Labor Act, to be free of such an illegal strike, and it prayed that it be enjoined. The court entered a temporary restraining order on that date. Thereafter, following full hearing, the court held that the union's demand "relates to 'rates of pay, rules, and working conditions' and is a bargainable issue under the Railway Labor Act"; that a strike to force acceptance of that demand would not be unlawful; and, on September 8, 1958, the court entered its decree restraining the strike until midnight, September 19, denying any further injunctive relief [11] and dismissing the complaint. The court of appeals, holding that the union's contract demand was not a lawfully bargainable one and that its acceptance could not legally be forced by a strike, reverscd and remanded with directions to enter an injunction as prayed in the complaint (264 F. 2d 254). This court granted certiorari (361 U.S. 809), and now reverses the judgment of the court of appeals upon grounds which with deference, I think are not only injurious to the public interest but also demonstrably legally erroneous, as I shall endeavor to show.

Congress, in comprehensively providing for the regulation of railroads, their transportation services and their employer-employee relations, has declared its policies in several related acts, including part 1 of the Interstate Commerce Act,[12] the Railway Labor Act,[13] and the Norris-LaGuardia Act,[14] and, at least in cascs such as this, none of them may meaningfully be read in isolation but only together as, for they are in fact, an integrated plan of railroad regulation. And if, as is frequently the case in such undertakings, there be overlappings, "[w]e must determine here how far Congress intended activities under one of these policies to neutralize the results envisioned by the other" (*Allen Bradley Co.* v. *Local Union* (325 U.S. 797, 806)).

By part 1 of the Interstate Commerce Act, Congress has provided a pervasive scheme of regulation of all common carriers engaged in transportation by railroad in interstate commerce. The declared policy of that act was to promote economical and efficient transportation services at reasonable charges [15] and, as this Court has said, "It is a primary aim of that policy to secure the avoidance of waste. That avoidance, as well as the maintenance of service, is viewed as a direct concern of the public. (*Texas* v. *United States* (292 U.S. 522, 530).) "Congress has long made the maintenance and development of an economical and efficient railroad system a matter of primary national concern. Its legislation must be read with this purpose in mind" (*Seaboard R. C.* v. *Daniel* (333 U.S. 118, 124–125)).

To aid in effectuating that policy, Congress has contemplated the abandonment of railroad lines, stations, depots and other facilities and services when found by designated public regulatory bodies to be burdensome and no longer required to serve the public convenience and nccessity. To this end, it has empowered the Interstate Commerce Commission, upon application and after notice and public hearing, to issue a certificate authorizing the abandonment of "all or any part of a line of railroad," and it has provided that "[f]rom and after issuance of such certificate * * * carricr by railroad may, without securing approval other than such certificate * * * proceed with the * * * abandonment covered thereby." [16] And in the Transportation Act of 1958 (72 Stat. 568), Congress has empowered the Commission, under stated conditions, to authorize the abandonment of "any train or ferry." [17] However, Congress has not sought completely to accomplish its abandonment policies through the Commission. Rather, it has sought to make use of State regulatory commissions, as additional instruments for the effectuation of its policies, in respect to the abandonment of some railroad facilities and services. Among others, it has long left to State regulatory commissions abandonments of railroad stations and station agency service; and, in 1958, after extensive review of that subject in the process of enacting the Transportation Act of 1958, it deliberately reaffirmed that policy.[18] Moreover, in its report on S. 3778, which culminated in the Transportation Act of 1958, the Senate Subcommittee on Interstate and Foreign Commerce critically attributed a major part of the financial plight of the railroads to their failure to apply to regulatory bodies for permission to abandon burdensome and needless services in accordance with congressional policy, and strongly advocated that such be done.[19]

For the fair and firm effectuation of these policies, Congress has provided that issues respecting the propriety of an abandonment shall be determined by a public regulatory body. It has contemplated that the carrier shall propose to the proper regulatory body the abandonment of particular facilities or services and that, after notice and hearing—at which all persons affected, including employecs and their union representatives, may appear and be heard—the public regulatory body shall determine whether the proposal is in the public interest, and its order, unless reversed on judicial review, is binding upon all persons. These procedures plainly exclude any right or power of a carrier, at its will alone, to effectuate, or of a labor union representing its employees to veto, any proposed abandonment. Although both may be heard, neither of them, nor the two in agrcement, even if their agreement be evidenced by an express contract, may usurp the Commission's decisional function by dictating the result or thwarting its effect. It is obvious that any abandonment, authorized by a proper regulatory body, will result in abolishment of the jobs that were involved in the abandoned service. And, inasmuch as the maintenance of these jobs constituted at least a part of the wasteful burden that necessitated the abandonment, it is equally obvious that Congress intended their abolishment. Yet, here, the union has demanded, and threatens to force by a strike, acceptance by the carrier of a covenant that no job in existence on December 3, 1957, will be abolished without its consent. Certainly that demand runs in the teeth of the recited provisions and policies of the Interstate Commerce Act. It plainly would destroy the public regulation of abandonments, provided and contemplated by Congress in the public interest, and render them subject to the union's will alone. A dcmand for such a contractual power surely is an unlawful demand.

The union argues, and the Court seems to find, that there is a basis for the claimed legality of the union's demand in the provision of section 5(2)(f) of the Interstate Commerce Act [20] that the Commision in approving railroad mergers or consolidations "shall require a fair and equitable arrangement to protect the intcrests of the railroad employees affected." Instead of supporting legality of the union's demand, I think the provisions of that section and its legislative history are further proof of its illegality. While that section authorizes the Commission to require temporary mitigation of hardships to employees displaced by such unifications, nothing in it authorizes the Commission to freeze existing jobs. However, in the course of its enactment an effort was made to amend it to that end. On the floor of the House, Representative Harrington advocated the following proviso: *"Provided, however,* That no such transaction shall be approved by the Commission if such transaction will result in unemployment or displacement of employees of the carrier or carriers, or in the impairment of existing employment rights of said employees." [21] While the bill was in conference, the Legislative Committee of the Interstate Commerce Commission sent a communication to Congress condemning the principle of the Harrington amendment in the following words:

"As for the Harrington proviso, the object of unifications is to save expense, usually by the saving of labor. Employees who may be displaced should, in the case of railroad unifications, be protected by some such plan as is embodied in the so-called Washington Agreement of 1936 between railroad management and labor organizations [providing for the mitigation of hardships by the payment of certain monetary benefits for a limited period of employees whose jobs are abolished by such approved unifications]. The proviso, by prohibiting any displacement of employees, goes much too far, and in the long run will do more harm than good to the employees." [22]

Congress rejected the Harrington provisc in the form proposed. Yct, the union's demand here is designed to accomplish the very purpose that Congress rejected. Of the Har-

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[11] By order of Sept. 16, 1958, the district court further restrained the impending strike pending determination of North Western's appeal.

[12] 49 U.S.C. secs. 1–27.

[13] 45 U.S.C. secs. 151–164.

[14] 29 U.S.C. secs. 101–115.

[15] See note 2 for the pertinent provisions of the National Transportation Policy.

[16] 49 U.S.C., secs. 1(18), 1(19); 1(20).

[17] Act of Aug. 12, 1958, Public Law 85–625, sec. 5, 72 Stat. 571, 49 U.S.C., sec. 13a.

[18] The Transportation Act of 1958, 72 Stat. 568. (See hearings before Subcommittee on Surface Transportation of Senate Committee on Interstate and Foreign Commerce on problems of the railroads, 85th Cong., 2d sess., pp. 1816, 1817, 1821, 2027, 2028; 104 CONGRESSIONAL RECORD, pp. 10850, 12522, 12537, 15528; S. Rept. No. 1647 on S. 3778, 85th Cong., 2d sess.; H. Rept. No. 1922 on H.R. 12832, 85th Cong., 2d sess.; Conference Report No. 2274, 85th Cong., 2d sess.

[19] "The railroad industry has not, in the subcommittee's opinion, been sufficiently interested in self-help in such matters as consolidations and mergers of railroads; joint use of facilities in order to eliminate waste, such as multiple terminals and yards that require expensive interchange operations; reduction of duplications in freight and passenger services by pooling and joint operations; abandonment or consolidation of nonpaying branch and secondary lines; abolishing of unnecessarily circuitous routes for freight movements; improved handling of less-than-carload traffic; coordination of transportation services and facilities by establishment of through routes and joint rates with other forms of transportation; and modernization of the freight-rate structure, including revision of below-cost freight rates to levels that cover cost and yield some margin of profit as well as adjustment of rates excessively above cost to attract traffic and yield more revenue" (S. Rept. No. 1647, 85th Cong., 2d sess., p. 11).

[20] U.S.C. sec. 5(2)(f).

[21] 84th CONGRESSIONAL RECORD (1939), pt. 9, p. 9882.

[22] Interstate Commerce Commission Report on S. 2009, Omnibus Transportation Legislation, p. 67 (76th Cong., 3d sess., House committee print), transmitted Jan. 29, 1940.

rington proviso this Court said in *Railway Labor Executives Association* v. *United States* (339 U.S. 142), that it "threatened to prevent all consolidations to which it related [but Congress] made it workable by putting a time limit upon its otherwise prohibitory effect" (339 U.S. at 151, 153). But Congress actually did more. It eliminated any power to freeze existing jobs. It is not to be doubted that a carrier and a labor union, representing the carrier's employees, lawfully may bargain about and agree upon matters in mitigation of hardships to employees who are displaced by railroad unifications or abandonments; but they may not agree, nor may any regulatory body order, that no jobs shall be abolished, and thus defeat unifications or abandonments required in the public interest (*Railway Labor Executives Association* v. *United States, supra; Interstate Commerce Commission* v. *Railway Labor Executives Association* (315 U.S. 373); *United States* v. *Lowden* (308 U.S. 225)).

There is no dispute in the record that the carrier sought to bargain and agree with the union upon matters in mitigation of hardships to employees displaced by the station abandonments. It offered to bargain about (1) transferring the agents affected to productive jobs, (2) limiting the job abolishments to an agreed number per year, and (3) paying supplemental unemployment benefits to the employees affected.[23] Short of foregoing the station abandonments, this is all it lawfully could do. It is not suggested that it should have done more in this respect. Indeed, the union refused even to discuss these proposals.[24] Instead, as its president testified at the trial, the only "alternative" the union "offered the North Western Railroad was to comply with this rule or strike.[25]

This also answers the Court's argument that there is nothing in the Interstate Commerce Act "making it unlawful for unions to want to discuss with railroads actions that may vitally and adversely affect the security, seniority, and stability of railroad jobs." The quoted statement is literally true. But the further truth is that the carrier offered to bargain and agree with the union about those matters, but the union refused even to discuss them. Ibid. The union's demand was not for a right "to discuss" such matters with the carrier, but was, rather, that the carrier agree that no jobs in existence on December 3, 1957, be abolished without the union's consent. And the only "alternative" it offered was: "Comply with this rule or strike." Ibid. The foregoing likewise answers the Court's argument that the union "merely asked for a contractual right to bargain with the railroad about any voluntary steps it might take to abandon stations * * * and thus abolish jobs." Plainly the union's demand was not for a right "to bargain with" the carrier about "abolish[ing] jobs," but was for a unilateral right to prohibit the abolishment of any job without its consent.

The Court fails to find any testimony in the record "that this union has set itself up in defiance of any State mandatory order." Although, in my view, the question is not whether it has set itself up in defiance of any valid existing State mandatory order, but rather is whether it lawfully may demand, and force by a strike, acceptance of a covenant in derogation of the law; yet, in very truth, it "has set itself up in defiance," or, at least, in derogation, of a "State mandatory order." As earlier noted, the order of the South Dakota Commission—the validity of which cannot be questioned here—was a mandatory one. It directed the carrier to make the Central Agency Plan effective in that State and, thereunder, forthwith to abolish 53 full-time agency jobs. That order was entered on May 9, 1958, and if the union's demand, that no job in existence on December 3, 1957, may be abolished without its consent, is a lawful one and may be enforced by a strike, then the South Dakota order is not only defied but defied successfully. Moreover, while such orders of State commissions, like those of the Interstate Commerce Commission, are in the nature of things usually permissive in character, they are nevertheless binding administrative determinations made, as Congress contemplated and Mr. Justice Brandeis said, "to protect interstate commerce from undue burdens," *Colorado* v. *United States* (271 U.S. 153, 162), and may not be overridden or thwarted by private veto.

Section 2, first, of the Railway Labor Act makes it the duty of carriers and their employees to exert every reasonable effort "to make and maintain agreements concerning rates of pay, rules, and working conditions, and to settle all disputes, whether arising out of the application of such agreements or otherwise."[26] Here, the union's demand was simply for a covenant that no existing jobs may be abolished without its consent. It thus seems plain that the demand did not relate to the rates of compensation to be paid to employees nor to their working condition, but, rather, it related solely to whether the employment relation, as to any existing job, might be severed altogether. It, therefore, seems clear enough that the demanded covenant was, in terms, beyond the purview of section 2, first. But even if this conclusion may be doubted, surely it must be agreed that Congress did not contemplate that agreements might be made, under the aegis of that section, in derogation of the commands, policies and purposes of related acts which it has promulgated for the regulation of carriers and their employer-employee relations in the public interest. Here, as has been shown, the union's demand was in derogation of the provisions and policies of the Interstate Commerce Act. It could not therefore be a lawfully bargainable subject within the purview of section 2, first, of the Railway Labor Act. The carrier could not lawfully accept it,[27] and hence a strike to force its acceptance would be one to force a violation of the law.

Surely, in such circumstances, the carrier, in discharging its duty to safeguard the public interest,[28] has a legal right to be free of a strike to force it to accept a demand which Congress has made unlawful. But there is no administrative remedy in such a case, and, hence, the legal right will be sacrificed, and Congress' policies will be thwarted, unless a preventive judicial remedy is available. Certainly Congress did not intend to create and "to hold out to [the carrier and the public] an illusory right for which it was denying them a remedy" (*Graham* v. *Brotherhood of Firemen* (338 U.S. 232, 240)).

Nor does the Norris-LaGuardia Act render Federal courts impotent to enjoin unlawful conduct or strikes to force acceptance of unlawful demands. That act, in terms, permits Federal courts to enjoin "unlawful acts [that] have been threatened and will be committed unless restrained."[29] This court has consistently held that the Norris-LaGuardia Act does not prevent a Federal court from enjoining an unlawful abuse of power conferred upon a labor union by the Railway Labor Act or a threatened strike to force acceptance of an unlawful demand.

In *Brotherhood of Railway Trainmen* v. *Chicago River & Indiana R. Co.* (353 U.S. 30), a union threatened a strike to force a carrier to accept demands which Congress had placed within the exclusive jurisdiction of the Railroad Adjustment Board. Holding that the demands were in derogation of that act of Congress and therefore illegal, a Federal court enjoined the threatened strike to enforce them. The union contended here that the court was without jurisdiction to issue the injunction because "the Norris-LaGuardia Act has withdrawn the power of Federal courts to issue injunctions in labor disputes [and that the] limitation applies with full force to all railway labor disputes" (353 U.S., at 39–40). In rejecting that contention, this court said:

"We hold that the Norris-LaGuardia Act cannot be read alone in matters dealing with railway labor disputes. There must be an accommodation of that statute and the Railway Labor Act so that the obvious purpose in the enactment of each is preserved. We think that the purposes of these acts are reconcilable" (353 U.S., at 40).

And finding that the union's demands violated the provisions of the Railway Labor Act, this court held "that the specific provisions of the Railway Labor Act take precedence over the more general provisions of the Norris-LaGuardia Act," and, reaffirming its decision in *Brotherhood of Railroad Trainmen* v. *Howard* (343 U.S., at 768), it further held " 'that the district court [had] jurisdiction and power [to enjoin the threatened strike] notwithstanding the provisions of the Norris-LaGuardia Act.' " (353 U.S., at 42).

There, as here, the union's demand was in derogation of the specific provisions of an act of Congress, and here, as there, those specific provisions must "take precedence over the more general provisions of the Norris-LaGuardia Act."

In *Virginian Railway Co.* v. *System Federation No. 40* (300 U.S. 515), this court held that a Federal court could lawfully issue an injunction in a labor dispute that was governed by the specific provisions of a Federal statute, and that "[s]uch provisions cannot be rendered nugatory by the earlier and more general provisions of the Norris-LaGuardia Act." 300 U.S., at 563.

Steele v. *Louisville & Nashville R. Co.* (323 U.S. 192) involved the unlawful misuse by a union of the powers conferred upon it by the Railway Labor Act. Observing that "there is no mode of enforcement [of the rights that were being denied by such misuse of powers] other than resort to courts," this Court held that a Federal court had the "jurisdiction and duty to afford a remedy for a breach of statutory [rights]" (323 U.S. at 207). On almost identical facts, this Court reaffirmed that principle in *Tunstall* v. *Brotherhood of Locomotive Firemen & Enginemen* (322 U.S. 210). In a similar factual situation, this Court held in *Graham* v. *Brotherhood of Locomotive Firemen & Enginemen* (338 U.S. 232) that a Federal court may enjoin a labor union from unlawfuly using or abusing powers conferred upon it by the Railway Labor Act, notwithstanding the Norris-LaGuardia Act. And, after reviewing the then existing cases, the Court concluded:

"If, in spite of the *Virginian, Steele,* and *Tunstall* cases, supra, there remains any illusion that under the Norris-LaGuardia Act the Federal courts are powerless to enforce these rights, we dispel it now."

Brotherhood of Railroad Trainmen v. *Howard* (343 U.S. 768) was an action to enjoin a union and a carrier from enforcing the provisions of a contract, made under the

[23] See note 6.
[24] Id.
[25] Id.

[26] U.S.C., sec. 152, first.
[27] *Brotherhood of Railroad Trainmen* v. *Howard* (343 U.S. 768).
[28] *Virginian Railway Co.* v. *System Federation No. 40* (300 U.S. 515). "Courts of equity may, and frequently do, go much farther both to give and withhold relief in furtherance of the public interest than they are accustomed to go when only private interests are involved." 300 U.S., at 552.
[29] 29 U.S.C., sec. 107(a).

threat of a strike, that unlawfully deprived a class of railroad employees of legal rights which this Court held had been impliedly vouchsafed to them by the Railway Labor Act. Finding that the questioned provisions of that contract were "unlawful" and that the injured persons "must look to a judicial remedy to prevent the sacrifice or obliteration of their rights under the [Railway Labor] Act [inasmuch as] no adequate administrative remedy can be afforded by the National Railroad Adjustment or Mediation Board[s]," this Court concluded "that the district court has jurisdiction and power to issue necessary injunctive orders, notwithstanding the provisions of the Norris-LaGuardia Act. We need add nothing to what was said about inapplicability of that act in the *Steele* case and in *Graham* v. *Brotherhood of Firemen* (338 U.S. 232, 239–240)" (343 U.S. at 774).

Resting upon its conclusion that the union's demand here was a lawful one, the court relegates the Virginian, Steele, Tunstall, Graham, and Howard cases to a footnote, and says, "None of these cases, however, enjoined conduct which the Norris-LaGuardia Act withdrew from the injunctive power of the Federal courts." Does the court mean by this statement that, although it enjoined enforcement of the illegal provisions of the contract which had been forced upon the carrier by "the threat of a strike" in the Howard case, it would not, if asked, have enjoined the strike which forced acceptance by the carrier of that unlawful contract? At all events, it cannot be denied, and the court concedes, that the Chicago River case holds that a threatened strike to force compliance with unlawful demands may be enjoined. There, just as here, a threatened strike was enjoined. There, as here, the injunction issued because the union's demand was not a lawfully bargainable one under the Railway Labor Act. The demands in the Chicago River case were unlawful because jurisdiction over their subject matter had been exclusively vested by Congress in the Railroad Adjustment Board, while in this case the demand is unlawful because jurisdiction over its subject matter has been exclusively vested partly in the Interstate Commerce Commission and partly in State regulatory commissions. Today's attempted distinctions of that case were advanced in that case, but were found "inapposite" (353 U.S., at 42). Being "inapposite" there, they are so here. I submit that, on the point in issue, the Chicago River case is indistinguishable from this one, and that if the Norris-LaGuardia Act did not prohibit a Federal court from issuing an injunction in that case, it does not do so in this one.

It is to be noted that the Court does not say that the Norris-LaGuardia Act prohibits Federal courts from enjoining threatened strikes to force acceptance of illegal demands. It says, rather, that "Even if a Norris-LaGuardia 'labor dispute' could not arise out of an unlawful bargaining demand * * * the union's proposal here was not unlawful." If it fairly may be inferred from that statement that the Court would have sustained jurisdiction had it found the demand to be unlawful, then my disagreement with the Court would be reduced to and turn on that simple issue. And as to it, I respectfully submit that the admitted facts show that the demand was in derogation of the provisions and policies of the Interstate Commerce Act. Believing that the demand was not a lawfully bargainable one under the Railway Labor Act, and that the district court had jurisdiction to enjoin the threatened strike, called to force acceptance of that illegal demand, I would affirm the judgment of the Court of Appeals.

Memorandum of Mr. Justice Stewart.

I have strong doubt as to the existence of Federal jurisdiction in this case, for reasons well expressed by then Circuit Judge Minton, dissenting in *Toledo, P. & W.R. Co.* v. *Brotherhood of Railroad Trainmen* (132 F. 2d 265, 272–274). See *Brotherhood of Railroad Trainmen* v. *New York Central R. Co.* (246 F. 2d 114, at 122 (dissenting opinion)). If, however, the Federal district court had jurisdiction, as all my brethren seem to believe or at least assume, Mr. Justice Whittaker's dissenting opinion convincingly demonstrates for me that the district court had power to issue an injunction.

(Mr. DENT (at the request of Mr. MORGAN) was given permission to extend his remarks at this point in the RECORD.)

Mr. DENT. Mr. Chairman, although pressing matters in conjunction with a primary campaign in my home State compel me to leave before the final vote is taken on the subject matter, mutual, or better known as foreign aid, I would be remiss in my duties if I failed at this time to present views and opinions, some my own and some expressed by others.

I have tried in good conscience to bring myself to the belief that this program is now or will be in the future beneficial to the welfare of my Country.

This Nation has lived and prospered under a Government best described as Democratic-Capitalism.

Foreign aid is simply a way to make a capitalist country pay for its own funeral.

The point is brought out very clearly in the first report of the Citizens Foreign Aid Committee entitled "Foreign Aid and You." This committee is composed of distinguished Americans. The report is a brilliant exposé of the fallacies of foreign aid. To begin with, the committee is not against reasonable assistance overseas. But it points out that aid "should have one purpose only—to provide for the common defense and promote the general welfare of the United States."

The truth about foreign aid today is that it is impeding the welfare of the Republic.

Let us look at the cost of foreign aid. The Marshall plan, proposing a maximum expenditure of $13.5 billion in foreign aid, was launched in 1948, with a very definite promise from the then President that it would be wound up in 4 years. That first year, the committee notes, some 450 persons were employed by the Government to administer and distribute foreign economic aid. Ten years and $41 billion later this staff has grown to 12,000 employees directing 2,000 projects. In addition, some 9,000 persons are engaged in the military-assistance program which has totaled $23 billion.

Advocates of foreign aid advance the argument that foreign aid strengthens the defenses of the free world. The facts disprove this. "The population of prosperous European NATO countries," the committee points out, "is 50 percent greater than ours." And the NATO countries are exceedingly reluctant to furnish troops for their own defense. The French only recently withdrew their fleet units from NATO control. No one in the NATO nations has suggested that the United States withdraw its foreign aid or its military equipment and manpower that protects Europe from Red aggression.

Foreign aid encourages ingratitude and dependence on America at the same time. But the problem goes deeper. A number of Central American, south Asian, and far Pacific countries have received in all more than $10 billion in military assistance. Yet some of these recipients "are hostile to the United States."

Though we are spending billions each year, we are not better loved around the world. Nations have not been won to the cause of freedom by king-size gifts from the United States.

Actually, says the committee, foreign aid "has tended to promote philosophies akin to communism." Foreign aid to Britain after World War II helped British socialists finance the nationalization of private property. "Our dollars," the committee makes clear, "also have assisted Britain to adopt socialized medicine." Yet the President and other proponents are fighting medical care for the aged in this country.

Britain is not the only country in which foreign aid money has helped a bad cause. By giving our money to such countries as India, Poland, and Yugoslavia, we have helped dig the grave of free enterprise in those lands. American foreign aid, says the committee, is "helping establish the very system of state slavery we set out to combat."

For the United States to continue foreign aid is a disservice both to this country and to the countries that receive it. The longer this aid is continued the more we weaken American strength that protects freedom and the more unprepared other countries are to accept the responsibilities of self-sufficiency.

Last year Congressman OTTO E. PASSMAN, chairman of the Foreign Operations Committee, presented figures to this Congress showing an unspent, available sum of $8,766,343,107 for mutual security expenditures for the fiscal year 1959.

How much is still available? That is a good question and again we go to the same authority and find that there is even more money available for fiscal year 1960.

Imagine proponents of this legislative appropriation fighting against aid to education, area redevelopment, public works, medical care for the aged, social security amendments covering lowering of age limits, increasing benefits and further clarification of the disability clause in the act.

These are but a few of the needed and essential domestic issues faced by this Congress and opposed in the main by the argument that "we cannot afford them" or "where does the money come from?"

Too many of us fail to realize that the biggest build up of foreign competitive enterprise has been and is being sponsored under the guise of mutual aid.

The foreign development phase of this legislation is glossed over by the pro-

ponents because of the weakness of the whole proposal if we were to really study and know the full effect upon our economic well-being.

To say that this legislation is not part of the whole package consisting of trade agreements, foreign relations, international agreements, and our import-export balance in relationship to our gold reserves is to be blind to the actualities of the situation.

At this point let me read into the record a speech I made to a group of citizens alerted to the basic dangers involved in the passage of aid year after year to countries which have proven their ability to outsell, undersell, and in fact, are now creditor instead of debtor nations.

It has been argued by some that foreign aid has nothing to do with our trade status or that this spending does cost us American jobs. This is not true because the only excuse for economic foreign aid is to build up our "friends" and some who "may become our friends" to build up their competitive industries and after creating these foreign enterprises we must follow through by giving up our domestic as well as our foreign markets in order that these industries can sell their products.

A few examples of the extent of this type of aid given away in markets both here and abroad are contained in just a few examples of foreign raiding of our national economy.

How long can we kid ourselves into the belief that we can become stronger by building up our friends and our enemies to compete against us for the world markets as well as our own markets?

Unless we recognize the importance of full employment at home we cannot hope to help the needy peoples of the rest of the World.

Unless we are fortified with a prosperous economy domestically, how can we possibly sell our friends abroad on our ability to guide them to prosperity?

No Member of Congress really wants isolationism. However, by the same token, no Member of Congress wants unemployment, want, poverty, or depression. Because of our inability to cope with world problems except by opening up our Treasury to the world, giving away American jobs, and building our hopes of peace and security on mercenary troops and subsidized nations we are putting our country into a position of losing control of our own destiny. How many of our foreign missile bases will we be allowed to use in case of war with Russia?

I know and you know that we cannot live in a world of our own. Nevertheless, I cannot see living in a world where Japan and Germany, the conquered nations, are subsidized into prosperity when American workmen in the coalfields, glass, and manufacturing plants, and many other fields of enterprise are dependent upon charitable aid such as unemployment compensation and welfare for their daily bread.

Sharing our wealth is commendable only if we have wealth to share.

If we are so rich, why do we have a national debt greater than all the other nations of the world put together?

If we are so prosperous, why are we taxed to feed millions of Americans who cannot find jobs to take care of themselves?

READ ALL THE NEWS

Too often we read only the news we like or want to read and forget to turn the pages to read the fine print. This can cost us a great deal, not alone in knowing both sides of a problem, but in fact, it can cost us our jobs, our liberty, and our personal well-being. If you buy a paper, read it—read all of it.

A case in point on the above admonition appeared in the New York Herald Tribune recently. One story covered the President's appeal to Americans to invest more money in foreign enterprises and quoted him as saying that the foreign countries needed money for expansion of their economy and this was the only country with money to spare. Another story on the same page showed that this country was short $1 billion of currency in its everyday needs.

Our gold reserves have been depleted by nearly $6 billion by the flight of gold to foreign countries.

To some of we little people it appears as though someone is wrong. Is it the President? I wonder.

Personally, I will not subscribe to the policy that any other country in the world is a better place for Americans to invest their money in. President or no President to the contrary.

OUR OWN BACK YARD

Last year the Westinghouse local union wired me about the loss of an $18-million generator order to England. The Elliott Co., of Jeannette, Pa., lost a $2 million generator contract to Switzerland. We tried to have the administration change the order to our own producers. There is not a set rule on imports. Before Eisenhower was elected, an American company was allowed a 25-percent differential, that is, it could be 25-percent higher than a foreign competitor and still be considered low bidder. Then, to, the labor and economic conditions of the area in which the American bidder was situated was given added consideration. Few Americans lost work under this setup. But now, after Eisenhower issued his Executive order cutting the differential to 6 percent, all the foreign manufacturers are as happy as kids on a picnic while the Americans are on the outside looking in.

A spokesman for Allis-Chalmers, after losing out on a large order, made the statement to the effect that his company might as well quit bidding Government jobs, since it could not meet the foreign prices and still carry American taxes, pay unemployment compensation, social security, workman's compensation, hospitalization, and so forth, on payrolls.

I know he is right because for over 25 years I have fought for better working conditions and higher standards for labor, teachers, public employees, and taxation based upon ability to pay.

How can anyone expect me and others like me to change our position and now vote to lower our American standards.

Ford Motor Co. has been buying tools and dies in Europe because they are cheaper. Chairman E. Breech, of Ford said wages paid Americans averaged $2.44 an hour plus 55 cents an hour fringe benefits compared to $1.05 in England and 69 cents an hour in Cologne, Germany. Ford has a plant in Cologne which, incidentally, luckily missed bombing in the war. Of course, Mr. Breech fails to tell us how American die and tool makers can buy Fords if they are unemployed. He also forgot to mention the difference between gross hourly pay and the take-home pay of an American worker. He forgot that the American worker is the heaviest taxed worker in the world.

Many district auto workers who are layed off will never be rehired according to President R. Leach of local 155 district. This is true because of the imports in both parts, tools and finished cars and the step-up in automation.

The industry leaders feel they can spend about $20,000 in automation for every worker they can eliminate. R. E. Phlaumer of America-Marietta Co. said in part:

> We can economically spend $17,000 to $20,000 on new machinery if it eliminates one worker—I have no emotional problems about replacing those nice guys who've been working on gang No. 2 for 20 years.

There you have it. We wonder how many products of his company will be bought by these machines when all companies and concerns go all the way and we have all automotive machinery.

THE ANSWER

There is no complete and final answer. It is a continuing and perplexing problem.

For the moment, with 5 million (acknowledged) unemployed, the answer must come quickly. My proposal for immediate emergency action would be to:

First. Reduce age limits on Social Security—raise benefits. Retire older workers, give younger workers work. They'll spend more for things they need and the older workers will be able to carry on with a good retirement pay.

Second. Stop imports, unless they are needed for our economic well-being and unless competitive prices are established that recognize our tax burdens as well as our standard of living.

Third. A shorter workweek for industrial workers whose jobs are eliminated by automation.

Fourth. A revision of our income tax law with lower rates and preferred treatment for American investments, rather than the idiotic system of favoring foreign investments.

Fifth. Grant foreign aid only for foreign aid, and not to build up competitive enterprises abroad to flood our American markets with foreign-made goods.

Sixth. Review Federal employment policies and reduce where possible Federal taxes. Especially check the enormous expenditures for defense to wipe out waste, duplication and poor planning.

Seventh. Create public loans to communities, public facilities, and redevelopment programs.

Eighth. Increase public works in cooperation with State and local governments.

Ninth. Rebuild American pride in our own products from clothespins to missiles.

Tenth. Stop talking about the weather and do something about it. At least put up our umbrellas.

While on the general subject it might be helpful if at this time a thumbnail view of our gold reserve situation is presented to the House:

U.S. gold reserve, smallest since 1947, stands now at $20.7 billion.

The law requires, as backing for currency and bank deposits, a gold reserve of $11.9 billion.

Leaving, as free gold in the U.S. stockpile, $8.8 billion.

But financial claims of foreign governments and citizens, if paid off in gold, could take $11.7 billion.

Thus, in the event that foreigners were to demand and get gold for all these financial claims the United States would face a gold shortage of $2.9 billion.

Despite the outflow of gold over the past year, foreigners still hold heavy dollar balances in this country. After offsetting U.S. credits, these foreign balances now total $11.7 billion. Any day that the owners of these dollars want to turn them into gold, they are free to do so. The United States is committed to give an ounce of gold for every $35 presented by another country.

Here, then, is the irony of the situation: these very countries to whom we owe the bulk of our gold reserve are high on the list receiving so-called mutual aid.

If ever the Congress should take time to reevaluate its position in a national policy this is the time.

I repeat, needs of some countries are compelling and for this Nation to close its eyes to these needs is unthinkable.

However, it is our duty as Americans to make sure our aid helps those intended to be helped without destroying or injuring our own ability to continue giving this required aid or in any manner to reduce our American standards of living.

To do this, we must refuse this legislation in the package presented at this time.

We must separate the items and pick out the worthwhile projects and give only to the nations on a basis of internal need.

I regret I cannot have the time required to properly air this entire question. I predict that within the not too distant future this legislation becomes the main issue in American politics and the long-suffering taxpayers will demand what is so obviously needed, a complete reexamination of all programs that are eating away at our national well-being.

Mr. MORGAN. Mr. Chairman, I yield 7 minutes to the gentleman from Missouri [Mr. CARNAHAN].

Mr. CARNAHAN. Mr. Chairman, I rise in support of H.R. 11510. Once again we have our annual consideration of our mutual security program. I consider the mutual security program to be vital to our security and an indispensable arm of our Nation's foreign policy.

As a member of the Foreign Affairs Committee, I have, along with my colleagues, been engaged since February 17, 1960, in holding hearings on the Mutual Security Act for fiscal year 1961. Over 1,100 pages of testimony were taken from responsible citizens and officials of the administration, agencies, and the military. I am sure that not many of you have had the chance to read and digest these hearings. The commmittee report, while only 172 pages long, is still time consuming to study and digest.

My purpose today is to present to you as clearly as I can the reasons why I support this bill and urge its adoption.

All of us in this Chamber feel the heavy responsibility of meeting the challenges with which we are faced in the world. It is evident without belaboring the point that we are indeed living in a world of change. Space exploration opens up new frontiers. New discoveries and inventions call for frequent and oftentimes difficult adjustments. Yet these very changes hold out some of mankind's greatest promise for future growth and development.

In spite of almost daily and constant changes which confront us, there are certain things which seem to change very slowly. The harsh fact is that we are living in a world where but very few of the people live in a system of freedom and prosperity. Today about one-third of the people in this world live under the harsh domination of atheistic communism—a dictatorship of the worst sort. In addition to this ever-constant threat to human dignity there is another fact which will not be denied, namely, that outside the Communist-dominated nations there are literally several hundred millions of people who do not know what it means to go to bed with a full stomach. There is the constant struggle against disease, poverty, ignorance, and fear. These people have either seen or heard of better things and a better way of life and are restlessly seeking some of the world's goods. In many cases they are willing to take what might well appear to be a short cut. Any promise of effective relief from the crushing burden of anxiety, hunger, disease, and downright hunger holds an appeal to them.

There is one other fact not to be denied: In spite of smiles and handshakes and promises of peaceful coexistence the masters of world communism have not deviated one iota from their long-announced declaration to extend their totalitarian control over all the world. The old Marxian theory of the means justifying the end still holds as true today as when it was first promulgated. This means that all ethics are thrown out the window as our Communist adversary seeks to control the minds and bodies of men—especially those struggling to achieve what they consider to be their rightful share of the world's economic goods.

It would be a tragic mistake for us in the free world to ever underestimate the power of the Communist ideology. Just as much as any American at Valley Forge, Gettysburg, Normandy beachhead, or Inchon landing, these Communists believe in and rely on the power of their ideology. They are fervent in the pursuit of this belief. They are unrelenting in the advocacy of their belief and are ever eager and ready to preach it to the young and old alike. They proclaim to any and all that their doctrine, their political setup, their economic system, will inevitably prevail and that they will become masters of the world. In order to enforce this belief the Communist world of today has thrown the full weight of the state and all its citizens behind the goal of accomplishing this end.

I know that you, my colleagues, share with me the conviction that we cannot ignore this powerful, crusading, and dedicated force. To do so would be inviting peril of the gravest sort. Our own way of life is so far different and our own international aims and concerns so far removed from the announced aims and intentions of the Communists that most Americans have a hard time seeing or believing that this is in fact the aim of the Communists. Therefore, given a brief period of international relaxation of tension it is ever too easy for the average American to discount as mere propaganda the ultimate aim of the Communist. In a word, the Communist believes that it is inevitable that the capitalistic system will fall into decay and be replaced by Communist dictatorship. They further believe that since capitalism and individual enterprise is wrong that they—the Communists—have a right to impose their beliefs on other peoples by any means. Therefore, Americans generally have difficulty in evaluating and comprehending the beliefs, motives, and actions of the Communists.

One thing can be said with absolute certainty about the Communists: They believe in their cause and they believe that any action which advances their cause is morally right. They believe in the dictatorship of the Communist Party of the Soviet Union and that every state must be brought under the control of such organization and that all shreds of capitalism and bourgeoise morality must be eliminated from the minds of the people everywhere. Constantly they speak of a classless and stateless society and constantly they seek ways and means to promulgate their belief.

Not only do the Communists promulgate this belief through talk but they employ a variety of means to implement that talk. All of the resources of their empire, human and material, are aimed at the accomplishment of this end—the domination of the Communist system over the political and economic life of all nations. All that they possess, their military strength, their technology, their educational system—all of these are very real support powers which they fully dedicate to the accomplishment of their aims.

It is at this juncture that we as a free people face this great and powerful revolutionary force. We have two choices: First, to stand idly by and watch the rest of the non-Communist world gobbled up bit by bit; or second, we can once again reiterate our firm national policy that this thing has gone far enough, and pledge the resources of our Nation, material, physical, human and above all else one weapon which the Communists do

not have—the spiritual—to put an end to the expansion of the Communist empire by force or threat of force. Long ago, we as a nation decided to establish and maintain defensive military strength which will assure us that any aggression will not succeed. This domestic military defense posture was soon expanded to include the concept of a defensive military strength in cooperation with the joint efforts of other free nations determined to remain free. We have long since realized that our own defense is inextricably interwoven with the defense of our friends and allies. This collective power of our Nation and that of our allies has in the past deterred and must be maintained at a level adequate to continue to deter the Communist from seeking to expand his borders through use of force.

At this point in the development of our national policy another aspect came into the picture. We recognized the fact that military defenses alone are not enough to thwart the spread of communism. We learned, and it became a part of our national policy, that the demands of free people for economic security and a decent standard of living are legitimate, and that not only our own healthy economic well being is necessary to the security of the free world but that equally as important is the economic strength and progress of our friends and allies. This led after World War II to the European recovery program that resulted in a free Europe that today is healthy and strong. The problems have been somewhat different in Asia. There is one element in common though between our friends in Europe and those in Asia—a deep and growing desire and determination to improve their lot. Oftentimes the discontented and impatient have been tempted by the radical solutions of communism. It is less than no alternative to these peoples to offer them instead of communism a preservation of the status quo.

This road to a decent life for all peoples everywhere has become a major goal of American foreign policy. However, as we well know, it is not an easily accomplished task. The task is slow, laborious, and oftentimes fraught with disappointments and setbacks. Determination and sacrifice are the key requirements if this goal is to be achieved. However, if many of these nations were left alone to resources available to them, the day of economic liberation would be far delayed into the future to say the least. These people need and deserve help. Since the late General Marshall first publicly announced the program for aiding the marginal and underdeveloped nations of the world as well as helping to repair the wreckage of a world war, it has been our national policy to provide that help. Oftentimes the help has been marginal but just enough to enable these millions of people with their own energy and resources and ingenuity to advance along the paths of their own national self-determination. We have truly adopted almost as a second motto for this Nation since the World War II the injunction of Holy Writ to "be our brother's keeper."

In spite of waste, administrative bungling, and lack of vision and planning, these efforts have been successful. Without this national policy many nations now free would be within the sphere of the Communist orbit. Instead of becoming slaves of the international Communist movement many of the world's nations have become independent and we in the United States have welcomed and encouraged this political evolution because we on this continent believe in the sacred principle of government by consent of the governed.

On the other hand, this newly found independence has created some problems of its own. The achievement of successful economic and political development is not an easy task and the resources of these newly independent nations has been severely taxed. This concern for the advancement and development of the free peoples of the world has been costly but at the same time has been in the enlightened self-interest of the United States. One example is the people of the other American Republics in this hemisphere. No one will deny the fact that it is in the interest of our own security that these sister Republics achieve a more rewarding and fruitful existence. Our first real efforts in this area was the program of inter-American technical cooperation. It stands today as a concrete demonstration of international cooperation among free and sovereign nations. The newly created International American Development Bank is yet another expression of our common concern and determination that together we can achieve our common goals of peace, prosperity and plenty and yet remain a free people in this hemisphere.

The Soviet Union, and its ally Red China, soon realized the importance of this type of program for in 1954 it initiated its own aid program. However, any casual study of the Communist aid program makes it crystal clear that the basic purpose of the plan is to promote the achievement of a Communist world.

In spite of Communist propaganda to the contrary notwithstanding, the purpose of our mutual security program is not to create a series of mimeographed "little United States" throughout the world.

As a part of our traditional creed we have sought to help others who wish to do so to defend themselves, to achieve progress, to learn to utilize their own national resources for the good of their peoples for we believe that it is the right of all peoples and nations to freely choose their own ways of life. The mutual security program is geared around the principle of cooperation, based upon respect; upon the belief in the dignity, rights, liberties, and importance of the individual and the subordination of the State to the interests and will of its citizens. The mutual security program seeks to extend to all peoples what we as Americans have long believed and proved to be right—decision by discussion and dissent; tolerance; government of laws and peace with justice. This is what our Nation is built on. Therein is its strength and greatness. It is because we do believe this that we are willing to join with others in the defense of these principles. It is because of this that we are willing to tax ourselves and share our resources and our technological and spiritual resources with free people across the world seeking to remain free and strengthen the fabric of their free way of life. We in America believe that because we have been so wonderfully blessed that we have a moral responsibility to share opportunity to others across the earth who wish a like opportunity to enjoy the blessings of a free society.

If one listens to Radio Moscow and digests the various Kremlin pronouncements emanating from Moscow he would be told that America has sinister motives in sending its goods, its know-how, its men and women and the financial fruits of its own labors to these nations. Let us go on record right now once again before the world in announcing that the high purposes of our mutual security program are to defend ourselves and to assure the security of those who desire to be defended; to support the right of every nation and government to freely determine its own national goals and direction; to help within the limits of our own national capability in the progressive betterment of all human beings. Nothing that the Communists can tell the peoples of the world contrary to this bears any semblance of the truth and the Communists know it.

Mr. Chairman, it is for these reasons and others which I do not have time to include at this time, that I have supported our mutual security program. It is for these reasons that I feel we must continue it.

Since February 17, 1960, we of the committee have been carefully considering this Mutual Security Act. I believe it has had as careful consideration as has any legislation ever considered by this body. It represents the very best thinking of your committee. It is a program designed to provide an adequate assurance to freemen everywhere that we in America will pledge our own sacred honor, as well as our tax dollars and other resources, to our fellow men that they too may be free.

The very basic features of this program again this year are twofold: First, the preservation of an adequate defensive strength; second, the encouragement and promotion of human betterment.

Let it be noted that our efforts in the United States are not the only efforts being expended today. The nations of Western Europe and Japan are responding to the desires of other nations to share in the march of material progress. Like ourselves, these nations, who themselves have been assisted by this very type of legislation, share our common objective and help shoulder the common responsibility. This program in 1960 is just as important, if not more so, than when Gen. George Marshall first announced it to a war-ravaged world. Here once again is an opportunity to participate in a mutual effort for peace and progress in freedom.

I urge passage of this bill.

(Mr. CARNAHAN asked and was given permission to revise and extend his remarks.)

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. CARNAHAN. I yield to the gentleman from Iowa.

Mr. WOLF. I would like to ask the gentleman if he can state for the House how much of the money that will be invested in the mutual security program will actually be spent directly or indirectly in this country?

Mr. CARNAHAN. That is a question which I think a great many of our people do not understand. The records show that approximately 80 cents out of every dollar allotted to the mutual security program is spent in the United States. The dollars themselves never leave the country. It is only the goods that these dollars purchase that leave the country. The products of our farms and our factories and of our mines and our forests are sent abroad.

Mr. WOLF. Would that figure include both the military and economic parts of the program?

Mr. CARNAHAN. That would be an average for both the economic and military. The military is higher than the economic. About 90 percent of the military money does not leave the country.

Mr. WOLF. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mrs. BOLTON. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I want to correct a dereliction on my part earlier in the debate in not taking the opportunity to pay tribute to the distinguished chairman of our Committee on Foreign Affairs. He has extraordinary capacity to grasp all the details as well as the broad features of a comprehensive and complicated program like this. He has demonstrated great skill in conducting and chairing our committee meetings and in organizing and directing the work of the staff and the subcommittees. He has shown unfailing fairness, poise, good humor, and patience with a committee consisting of 32 members who hold many points of view and hold them strongly. All of us who have had the chance to work with and under him have come to appreciate more and more each month the great abilities and the unusual qualities of leadership of our distinguished friend and my medical colleague, the gentleman from Pennsylvania, Dr. MORGAN.

Mr. BOSCH. Mr. Chairman, I rise in opposition to H.R. 11510, the so-called mutual security authorization legislation now before us. This bill authorizes a total of $4,380,500,000 for the fiscal year 1961 for the various purposes under the, in my opinion overextended mutual security program.

We find that today there are some 43,000 employees and 10,000 trainees of the mutual security program scattered in some 76 nations in the world.

It would do very little good to here again reiterate what has been demonstrated from time to time to be the utter waste and extravagance experienced over the years in connection with this program in the various countries of the world. It appears almost unbelievable to me that we can glibly consider an authorization of this magnitude, namely, $4,380,500,000 without giving due consideration to the present status of the unexpended funds now in hand. It appears that the total funds unexpended and to be authorized by this legislation total the staggering figure of $12,150,-021,750.

These figures are:

Unexpended fund as of June 30, 1959	$4, 837, 708, 750
New funds appropriated for fiscal 1960	3, 225, 813, 000
New funds—other—fiscal 1960	48, 000, 000
Proposed under this bill—fiscal 1961	4, 038, 500, 000
Total	12, 150, 021, 750

The Comptroller General of the United States has stated that the weakness of the program is too much money, not too little. How in good conscience can we therefore justify foisting upon the American taxpayers this additional obligation.

Now, I know it has been eloquently argued from time to time that without this assistance the nations benefiting under the program would most surely fall into the Communist camp and that this assistance, particularly in the field of military assistance, is our own best defense against the Communist war potential. How do we, Mr. Chairman, then explain away the following facts:

First. In Europe the comunistic element is strongest in the very areas that have received the most financial foreign aid.

Second. In the Middle East communism has made substantial progress in spite of the millions we have appropriated. Communism has expanded in Indonesia, Thailand, and India.

Third. In Latin America our lavish gifts have not stopped insurrections in Bolivia, Venezuela, Cuba, Guatemala, Haiti, and the Argentine.

Thus we see that Communist expansion progresses regardless of our foreign aid. Of course, it is accomplished first by infiltration and then seizing the government in power. In truth our billions watsefully thrown to all corners of the globe have not stopped the expansion of communism.

I cannot, Mr. Chairman, in good conscience vote to further authorize this unconscionable amount when the total foreign aid costs, including interest on what we have borrowed to give away to foreign countries, now exceeds $19 billion annually, or results in an approximate cost of $795 for every family in the United States. I am firmly convinced that this program should be terminated; for the experiences of the past have amply demonstrated that we can neither buy friends, goodwill, nor peace.

Mr. REUSS. Mr. Chairman, I should like to take this opportunity to direct the attention of my colleagues to the section of the Foreign Affairs Committee report on the Mutual Security Act of 1960 titled "Point 4 Youth Corps" beginning on page 28 of the report.

The Youth Corps, which I first proposed as an amendment to the Mutual Security Act in H.R. 9638 introduced January 14, 1960, would give young Americans an expanded opportunity to serve the United States in oversea technical assistance missions.

I am most grateful that the committee has chosen to announce in its report that it will make "a comprehensive survey of the possibilities for such an effort." I am equally grateful that Chairman MORGAN has extended to me an invitation, as the author of the original proposal, to take an active part in the committee's formulation and execution of this survey. The committee report states:

Should this study support the committee's present belief that there is substantial merit in the proposal, the committee will prepare specific recommendations for getting the program underway, and will expect the executive to make a serious and constructive effort to put the program into effective operation.

I originally proposed the Youth Corps as a means of improving U.S. aid programs—particularly in the developing areas of Asia, Africa, the Middle East and Latin America—and at the same time broadening the opportunities for young Americans to serve their country and to gain a better understanding of world problems.

The Foreign Affairs Committee report made much the same points.

The committee stated that its own study missions had found that some of the best American aid projects in the less-developed nations were those using young Americans with technical training in agriculture and similar skills.

The committee noted, however, that under existing limited programs "at least 10 highly qualified young graduates of agricultural colleges have volunteered for each position made available" by the Government.

It would be of great value not only in creating a favorable impression of the United States but also in promoting sound and basic improvements in economic development if more places for such young people were found in oversea operations—

The committee report continues.

The committee believes that the United States is failing to utilize one of its important assets by not developing a program for using such services.

If young Americans with * * * adequate technical training, who are willing to live in the villages and share in the daily work of the people and who would serve with only a minimum salary and subsistence allowance, could be carefully selected and sent to the less developed countries, they could be unusually effective representatives of the United States—

The committee report declares.

The peoples of the developing countries not only need economic assistance, they can also profit from exposure to the ideas of Thomas Jefferson and Abraham Lincoln. Young Americans who are willing to help with an irrigation project, with digging a village well, with setting up a rural school, could be one of our best ways for creating such a picture of America.

Furthermore, young Americans in their late teens and early twenties need a sense of purpose—the excitement and stimulus of taking part in real events. If the evolution of the have-not nations is at once the greatest challenge and adventure of the age, young Americans are going to want to become involved in it.

I am confident that the action of the Foreign Affairs Committee will lead to the establishment of a Point 4 Youth Corps.

Mr. Chairman, the committee's action leads to the following commending editorial in the April 18, 1960, edition of the Christian Science Monitor:

PROGRESS ON THE YOUTH CORPS

With commendable speed and bipartisanship the House Foreign Affairs Committee has opened the way for a Point Four Youth Corps.

The proposed corps—an aiternative to the draft which would let qualified young American volunteers serve in the rice fields instead of on the drili fields—deserves equally speedy and serious followup action.

This committee approval moves the proposal into the final study stage. Some foundation or experienced educational agency will now be sought to make a comprehensive survey of the idea, mapping out a system for carrying it out most efficiently, and presumably proposing legisaltion.

The House group lauded the youth corps idea (which this newspaper had previously endorsed). Its report stated that its own study missions had frequently found that the best American foreign-aid projects in developing nations were making use of young, technically trained Americans working at the village level. It said, however, that existing programs were so limited that at least 10 highly qualified young graduates of agricultural colleges have volunteered for each position made availabie by the International Cooperation Administration.

There has been some evidence of reiuctance on the part of the State Department to endorse the program. Professional diplomats understandably are hesitant to become embroiled with, and responsibie for, a iot of young amateur diplomats.

But even America's limited experience in this fieid indicates strongiy that the kind of young men and women dedicated to service in the villages of Asia, Africa, and Latin America—service at draft pay and with no PX pleasures—make good ambassadors.

Furthermore, these youths may be expected to form the nucleus of an unusually experienced and vigorous foreign service for the future.

We trust the Foreign Affairs Committee will be able to find suitable foundation support for its youth corps study with no delay.

Mr. CURTIS of Missouri. Mr. Chairman, on July 30, 1959, under special order, I discussed the Mutual Security Authorization Act for 1960 in what I believe to be its proper context: one of many programs of the Federal Government dealing with the economic conditions of non-Communist nations.

We have said our program should be trade, not aid, where possible and when aid is necessary it be loans, not grants. How indeed can we discuss one grant program out of several, the mutual security program, without knowledge of what the other grant programs are doing and without knowledge of what the many loan programs are doing, and without knowledge of what the trade programs in the private sector of the economy are accomplishing? Yet this is exactly what we are doing in the present debate based upon the committee's limited study and the committee's limited report.

Furthermore, what criteria should we use to determine whether all our programs, coordinated or haphazard, are producing the desired results? In my July speech I suggested that the per capita gross national product of the countries we profess to be helping is certainly one meaningful test. Yet during the 4 years, 1955, 1956, 1957, and 1958, referred to in my speech many of the countries we are supposed to be helping, do not show increases in gross national product. In fact some show decreases.

Under unanimous consent, I include at this point my speech of July 30, 1959, and the tables contained therein:

ECONOMIC WELFARE OF FOREIGN NATIONS

The SPEAKER pro tempore (Mr. IKARD). Under previous order of the House, the gentleman from Missouri [Mr. CURTIS] is recognized for 10 minutes.

Mr. CURTIS of Missouri. Mr. Speaker, on June 16, 1959, during the debate on the Mutual Security Authorization Act, I placed in the RECORD a series of questions which reiate iargely to the fiscal aspects of the entire subject of our foreign relations, not just the fiscal aspects of what is called the mutual security program. These will be found on pages 9885 and 9886 of the CONGRESSIONAL RECORD. Through the courtesy of the chairman of the House Foreign Affairs Committee, my colleague, the gentleman from Pennsylvania, THOMAS E. MORGAN, I have received answers to these questions. I think this is material that is of value to the House membership and accordingly I am placing it in the RECORD. This material, of course, to be meaningful must be coilated and commented upon. When I obtain additional information I expect to take the fioor to discuss the subject matter rather fully.

At the present time there are two points I would like to make:

First. A test of whether or not a country is actually moving ahead economically is the increase of its gross nationai product but even more important, whether there is an increase in per capita national gross product. It is quite interesting to note that in the 4 years, 1955, 1956, 1957, and 1958, that many of the countries that we are supposed to be helping, do not show increases in gross national product and per capital gross nationai product. In fact, some show decreases. Certainly we should be asking ourseives the question of what have all the many programs we have in such countries been doing for them if they have not been moving ahead.

The second point I want to stress at this time is one of encouragement, as to whether or not the Deveiopment Loan Fund is serving the purpose of cutting down the request for outright grants as it was intended to do. In the answer to my question in regard to this subject there is this statement:

"When the loans made under the older programs are added to those made by the Development Loan Fund we find that only 6 percent of total aid in fiscal year 1956 was on a loan basis. For fiscal year 1957 the figure was 21 percent; for fiscal year 1958, the first year of Development Loan Fund, it was 29 percent; and this year it has risen to 42 percent."

This is very impressive. Herein foilows the questions I posed with the answers:

First. What has been the increase or decrease in trade in dollar amounts between the United States and the individual recipients of aid under this program in the past year? Has trade increased or decreased?

The attached tables indicates U.S. trade with the principal aid recipient countries. Since charges from one year to the next are not very meaningful to indicate trends several years are included in the tabies. In general they show a general increase in trade. This is most notable in the trade figures with Western Europe. U.S. exports to Western Europe increased from nearly $3 billion in 1950 to $4.8 billion in 1958. This increase is even more startling when it is considered that unlike in 1958, the 1950 data are predominantly foreign aid exports from the United States. During the past 9 years, the overall OEEC trade gap was reduced from $4.7 billion to $3.4 billion; the gap in trade with the United States was aiso reduced.

In evaluating last year's trade figures it is well to remember that world trade, including U.S. trade, was subject to sharp temporary disturbances in 1956 and 1957 mainly due to the Suez crisis. Therefore it is more appropriate to compare 1958 trade figures with these of 1955 than with the intervening 2 years. Such a comparison would show a healthy increase of total U.S. exports by 13 percent, an increase in imports of 12 percent, and an increase in the baiance on goods from $2,753 miliion to $3,263 miilion.

U.S. exports to Western Europe

[In millions of dollars]

	U.S. exports (excluding special category) [1]									
	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958
Western Europe, total	3,987	2,958	4,138	3,381	2,906	3,400	4,187	5,172	5,694	4,463
Spain, Finland, Yugoslavia	95	107	270	172	205	232	330	421	382	364
OEEC	3,892	2,851	3,868	3,209	2,701	3,168	3,857	4,751	5,312	4,099
United Kingdom	671	516	909	683	594	696	930	910	1,100	838
France	466	342	434	369	343	335	360	562	589	427
Germany [2]	817	440	520	446	356	494	596	785	956	733
Italy (including Trieste)	463	357	473	422	304	316	369	535	678	492
Greece	152	94	99	69	53	51	79	93	86	72
Turkoy	83	61	64	68	70	87	102	116	140	127
Other OEEC	1,240	1,041	1,369	1,152	981	1,189	1,421	1,750	1,763	1,410

[1] The exclusion of "special category" exports from statistics by country was inaugurated in May 1949. Therefore, 1949 data are not strictly comparabie with succeding years.

[2] Data for 1949–51 include a small amount of exports to Eastern Germany.

Far East—Trade statistics

[Millions of U.S. dollars]

Country	Calendar year	Trade with United States [1]	
		Exports to—	Imports from—
Total, Far East	1954	774	1,546
	1955	1,009	1,579
	1956	1,046	1,985
	1957	1,084	2,672
	1958	1,202	1,634
Burma	1954	1	8
	1955	1	5
	1956	2	6
	1957	2	12
	1958	1	7
Cambodia	1954	9	1
	1955	10	3
	1956	10	6
	1957	10	3
	1958	9	7
Laos	1954	--------	[2]
	1955	--------	[3] 1
	1956	--------	[3] 4
	1957	--------	[3] 6
	1958	--------	2
Vietnam	1954	[4] 13	[4] 21
	1955	16	32
	1956	8	61
	1957	11	66
	1958	5	62
Indonesia	1954	149	91
	1955	167	96
	1956	141	141
	1957	148	133
	1958	172	61
Japan	1954	283	849
	1955	457	774
	1956	543	1,065
	1957	607	1,626
	1958	671	834
Korea	1954	[5] 14	[4] 109
	1955	[5] 8	[4] 159
	1956	[5] 11	[4] 230
	1957	[5] 5	[4] 316
	1958	2	216
Philippines (imports f.o.b.)	1954	246	331
	1955	240	356
	1956	242	301
	1957	225	337
	1958	274	291
China (Taiwan)	1954	[5] 5	[4] 89
	1955	[5] 6	[4] 97
	1956	[5] 6	[4] 114
	1957	[5] 4	[4] 105
	1958	11	102
Thailand	1954	[4] 54	[4] 57
	1955	[4] 104	[4] 56
	1956	83	57
	1957	72	68
	1958	57	52

[1] Source: Country statistics.
[2] Not available.
[3] Customs reports.
[4] Estimated by ICA/W.
[5] Foreign exchange statistics.

Latin America—Trade statistics

[Millions of U.S. dollars]

Country	Calendar year	Trade with United States [1]	
		Exports to—	Imports from—
Total, Latin America	1954	3,398	3,427
	1955	3,514	3,417
	1956	3,867	3,802
	1957	3,824	4,565
	1958	3,591	4,054
Argentina	1954	122	141
	1955	118	154
	1956	117	230
	1957	113	307
	1958	133	249
Bolivia	1954	63	25
	1955	61	31
	1956	57	39
	1957	33	43
	1958	9	29

Latin America—Trade statistics—Continued

[Millions of U.S. dollars]

Country	Calendar year	Trade with United States [1]	
		Exports to—	Imports from—
Total, Latin America—Con.			
Brazil	1954	579	537
	1955	602	309
	1956	735	355
	1957	660	548
	1958	566	530
Chile	1954	187	140
	1955	201	162
	1956	244	162
	1957	192	231
	1958	156	149
Colombia	1954	518	421
	1955	431	421
	1956	435	406
	1957	369	288
	1958	333	185
Costa Rica	1954	51	47
	1955	44	52
	1956	34	50
	1957	43	57
	1958	36	42
Cuba	1954	369	367
	1955	401	423
	1956	431	488
	1957	468	452
	1958	528	546
Dominican Republic	1954	71	55
	1955	64	64
	1956	59	71
	1957	65	73
	1958	72	76
Ecuador	1954	65	46
	1955	55	47
	1956	56	42
	1957	56	48
	1958	56	47
El Salvador	1954	76	51
	1955	69	52
	1956	50	55
	1957	63	59
	1958	49	45
Guatemala	1954	68	56
	1955	73	70
	1956	83	82
	1957	73	80
	1958	66	79
Haiti	1954	25	31
	1955	15	26
	1956	14	29
	1957	18	24
	1958	23	25
Honduras	1954	44	35
	1955	36	36
	1956	47	40
	1957	42	44
	1958	28	36
Mexico	1954	365	647
	1955	463	701
	1956	481	838
	1957	452	890
	1958	458	886
Nicaragua	1954	29	38
	1955	30	45
	1956	25	43
	1957	28	47
	1958	24	84
Panama	1954	16	45
Panama (total trade includes Colon Free Zone).	1955	19	45
	1956	17	50
	1957	21	58
	1958	24	84
Paraguay	1954	6	6
	1955	6	4
	1956	7	3
	1957	8	6
	1958	8	10
Peru	1954	88	130
	1955	98	150
	1956	115	179
	1957	115	191
	1958	124	167
Uruguay	1954	33	45
	1955	16	44
	1956	25	33
	1957	13	56
	1958	9	22
Venezuela	1954	623	564
	1955	712	581
	1956	835	607
	1957	992	1,063
	1958	892	809

[1] Source: Country statistics.

Near East and south Asia—Trade statistics

[Millions of U.S. dollars]

Country	Calendar year	Trade with United States [1]	
		Exports to—	Imports from—
Egypt	1954	19	51
	1955	26	63
	1956	14	72
	1957	22	47
	1958	18	52
Greece	1954	15	46
	1955	24	70
	1956	23	78
	1957	30	83
	1958	37	73
Iran	1954	[2] 20	[2] 51
	1955	[2] 35	[2] 55
	1956	[2] 42	[2] 47
	1957	[2] 33	[2] 50
	1958	42	106
Israel	1954	14	79
	1955	16	93
	1956	19	117
	1957	20	109
	1958	18	105
Saudi Arabia	1954	[2] 59	[2] 44
	1955	[2] 59	[2] 72
	1956	[2] 77	[2] 77
	1957	[2] 41	[2] 69
	1958	72	59
Sudan	1954	4	3
	1955	3	3
	1956	4	3
	1957	3	6
	1958	4	2
Ceylon	1954	25	8
	1955	37	10
	1956	30	9
	1957	31	14
	1958	27	22
India	1954	185	155
	1955	195	189
	1956	184	198
	1957	276	358
	1958	191	313
Pakistan	1954	24	21
	1955	31	32
	1956	31	26
	1957	38	120
	1958	27	112
Turkey	1954	58	72
	1955	49	111
	1956	60	86
	1957	90	122
	1958	56	127

[1] Based on country statistics, except where noted.
[2] Based on U.S. Customs data.

Second. What has the increase or decrease of American private investment been in these countries in the past year in dollar amounts?

It is estimated on a preliminary basis that new U.S. private investment (not including reinvested subsidiary earnings) in the Latin American, Asian, African, and Middle East areas totaled about $1,050 million during 1958. This figure is substantially higher than the corresponding totals for 1954 and 1955, but is well below the totals for 1956 and 1957, about $1,280 million and $1,650 million, respectively, which were abnormally high because of extraordinary petroleum investments.

Third. What has been the increase or decrease in gross national product of these countries? And in per capita gross national product?

Total and per capita GNP, by country—By region

Country		Unit	Calendar years— 1955	1956	1957	1958 (estimated)
EUROPE						
Austria	Total GNP (in 1957 prices)	Million dollars	4,194	4,419	4,670	4,825
	Per capita GNP	Dollars	601	632	667	689
Belgium-Luxembourg	Total GNP (in 1957 prices)	Million dollars	10,570	11,022	11,170	11,166
	Per capita GNP	Dollars	1,152	1,193	1,200	1,193
Denmark	Total GNP (in 1957 prices)	Million dollars	4,376	4,461	4,761	4,786
	Per capita GNP	Dollars	973	985	1,043	1,040
France	Total GNP (in 1957 prices)	Million dollars	43,555	45,692	48,666	50,061
	Per capita GNP	Dollars	1,007	1,047	1,104	1,125
Germany	Total GNP (in 1957 prices)	Million dollars	44,672	47,523	49,905	51,262
	Per capita GNP	Dollars	908	955	989	1,005
Italy	Total GNP (in 1957 prices)	Million dollars	22,915	23,618	25,003	25,770
	Per capita GNP	Dollars	477	489	516	530
Netherlands	Total GNP (in 1957 prices)	Million dollars	8,654	9,013	9,216	9,280
	Per capita GNP	Dollars	805	828	836	831
Norway	Total GNP (in 1957 prices)	Million dollars	3,680	3,832	3,942	4,022
	Per capita GNP	Dollars	1,073	1,107	1,128	1,137
Portugal	Total GNP (in 1957 prices)	Million dollars	1,905	1,962	1,996	2,042
	Per capita GNP	Dollars	217	222	224	227
Spain	Total GNP (in 1957 prices)	Million dollars	9,633	10,101	10,912	11,142
	Per capita GNP	Dollars	335	346	371	376
United Kingdom	Total GNP (in 1957 prices)	Billion dollars	59.7	60.8	61.9	61.1
	Per capita GNP	Dollars	1,265	1,181	1,199	1,178
Yugoslavia	Total GNP (in 1957 prices)	Million dollars	2,895	2,920	3,508	3,443
	Per capita GNP	Dollars	165	164	195	189
AFRICA						
Ethiopia	Total GNP (in 1957 prices)	Million dollars	794	805	845	805
	Per capita GNP	Dollars	45	45	47	44
Ghana	Total GNP (in 1957 prices)	Million dollars	780	757	809	775
	Per capita GNP	Dollars	170	161	169	161
Liberia	Total GNP (in 1957 prices)	Million dollars	90	95	94	(1)
	Per capita GNP	Dollars	90	95	93	(1)
Libya	Total GNP (in 1957 prices)	Million dollars	85	100	112	118
	Per capita GNP	Dollars	77	89	98	102
Morocco	Total GNP (in 1957 prices)	Million dollars	1,654	1,713	1,570	1,679
	Per capita GNP	Dollars	195	199	180	191
Somalia	Total GNP (in 1957 prices)	Million dollars	37.5	36.5	40.9	41.0
	Per capita GNP	Dollars	29	28	31	31
Tunisia	Total GNP (in 1957 prices)	Million dollars	457	497	453	508
	Per capita GNP	Dollars	122	131	119	132
NEAR EAST—SOUTH ASIA						
Afghanistan	Total GNP (in 1957 prices)	Million dollars	(1)	600	620	635
	Per capita GNP	Dollars	(1)	48	49	49
Ceylon	Total GNP (in 1957 prices)	Million dollars	1,158	1,128	1,201	1,160
	Per capita GNP	Dollars	133	126	131	123
U.A.R. (Egypt)	Total GNP (in 1957 prices)	Million dollars	3,065	3,190	3,254	3,314
	Per capita GNP	Dollars	134	136	136	135
Greece	Total GNP (in 1957 prices)	Million dollars	2,369	2,530	2,750	2,882
	Per capita GNP	Dollars	283	300	323	336
			Fiscal year ending Mar. 31— 1955–56	1956–57	1957–58	1958–59
India	Total GNP (in 1957 prices)	Billion dollars	27.0	27.8	27.1	28.6
	Per capita GNP	Dollars	70	71	68	71
Iran	Total GNP (in 1957 prices)	Million dollars	2,355	2,500	2,700	2,750
	Per capita GNP	Dollars	120	126	134	134
Iraq	Total GNP (in 1957 prices)	Million dollars	1,030	1,020	990	1,065
	Per capita GNP	Dollars	164	159	151	160
Israel	Total GNP (in 1957 prices)	Million dollars	1,395	1,540	1,702	1,838
	Per capita GNP	Dollars	804	842	882	914
Jordan	Total GNP (in 1957 prices)	Million dollars	110	165	155	130
	Per capita GNP	Dollars	77	111	102	84
Lebanon	Total GNP (in 1957 prices)	Million dollars	522	597	618	500
	Per capita GNP	Dollars	368	413	419	333
Nepal	Total GNP (in 1957 prices)	Million dollars	(1)	(1)	350	365
	Per capita GNP	Dollars	(1)	(1)	40	40
Pakistan	Total GNP (in 1957 prices)	Million dollars	5,361	5,520	5,502	5,557
	Per capita GNP	Dollars	65	66	65	65
Saudi Arabia	Total GNP (in 1957 prices)	Million dollars	(1)	(1)	(1)	(1)
	Per capita GNP	Dollars	(1)	(1)	(1)	(1)
Sudan	Total GNP (in 1957 prices)	Million dollars	755	780	490	680
	Per capita GNP	Dollars	74	75	74	61
Turkey	Total GNP (in 1957 prices)	Million dollars	9,126	9,486	9,792	10,000
	Per capita GNP	Dollars	378	383	384	381
FAR EAST						
Burma	Total GNP (in 1957 prices)	Million dollars	1,009	1,041	1,134	1,100
	Per capita GNP	Dollars	52	52	56	54
Cambodia	Total GNP (in 1957 prices)	Million dollars	[2] 350	390	424	415
	Per capita GNP	Dollars	[2] 80	86	92	89
China (Taiwan)	Total GNP (in 1957 prices)	Million dollars	890	930	986	1,045
	Per capita GNP	Dollars	94	95	98	100
Indonesia	Total GNP (in 1957 prices)	Million dollars	4,870	5,120	5,500	5,209
	Per capita GNP	Dollars	60	62	65	60
Japan	Total GNP (in 1957 prices)	Million dollars	24,000	26,000	27,900	28,630
	Per capita GNP	Dollars	270	289	307	312

Footnotes at end of table.

Total and per capita GNP, by country— By region—Continued

Country		Unit	Calendar years— 1955	1956	1957	1958 (estimated)
Korea	Total GNP (in 1957 prices)	Million dollars	2,770	2,833	3,213	3,402
	Per capita GNP	Dollars	129	130	145	150
Laos	Total GNP (in 1957 prices)	Million dollars	(1)	97	99	100
	Per capita GNP	Dollars	(1)	49	50	50
Phillippines	Total GNP (in 1957 prices)	Million dollars	4,570	4,820	5,000	5,150
	Per capita GNP	Dollars	205	211	215	215
Thailand	Total GNP (in 1957 prices)	Million dollars	1,930	2,020	1,945	2,100
	Per capita GNP	Dollars	95	98	92	98
Vietnam	Total GNP (in 1957 prices)	Million dollars	1,870	1,950	1,900	1,960
	Per capita GNP	Dollars	156	160	153	156
LATIN AMERICA						
Argentina	Total GNP (in 1955 prices)	Million dollars	8,100	8,420	[2] 8,500	
	Per capita GNP	Dollars	424	432	[2] 428	
Bolivia	Total GNP (in 1957 prices)	Million dollars	245	235	[2] 240	
	Per capita GNP	Dollars	77	73	[2] 73	
Brazil	Total GNP (in 1955 prices)	Million dollars	10,050	10,500	[2] 10,300	
	Per capita GNP	Dollars	172	175	[2] 168	
Chile	Total GNP (in 1955 prices)	Million dollars	1,570	1,570	[2] 1,500	
	Per capita GNP	Dollars	232	226	[2] 214	
Colombia	Total GNP (in 1955 prices)	Million dollars	2,220	2,370	[2] 2,400	
	Per capita GNP	Dollars	175	183	[2] 181	
Costa Rica	Total GNP (in 1955 prices)	Million dollars	305	270	[2] 290	
	Per capita GNP	Dollars	321	273	[2] 280	
Cuba	Total GNP (in 1955 prices)	Million dollars	2,230	2,410	[2] 2,630	
	Per capita GNP	Dollars	364	385	[2] 410	
Dominican Republic	Total GNP (in 1955 prices)	Million dollars	520	560	[2] 600	
	Per capita GNP	Dollars	206	215	[2] 222	
Ecuador	Total GNP (in 1955 prices)	Million dollars	730	745	[2] 785	
	Per capita GNP	Dollars	198	196	[2] 202	
El Salvador	Total GNP (in 1955 prices)	Million dollars	450	455	[2] 485	
	Per capita GNP	Dollars	205	201	[2] 207	
Haiti	Total GNP (in 1955 prices)	Million dollars	270	310	[2] 250	
	Per capita GNP	Dollars	82	93	[2] 74	
Honduras	Total GNP (in 1955 prices)	Million dollars	315	330	[2] 315	
	Per capita GNP	Dollars	190	193	[2] 178	
Mexico	Total GNP (in 1955 prices)	Million dollars	6,720	7,165	[2] 7,525	
	Per capita GNP	Dollars	226	235	[2] 239	
Nicaragua	Total GNP (in 1955 prices)	Million dollars	310	305	[2] 305	
	Per capita GNP	Dollars	249	238	[2] 233	
Panama	Total GNP (in 1955 prices)	Million dollars	270	275	[2] 285	
	Per capita GNP	Dollars	297	294	[2] 297	
Paraguay	Total GNP (in 1955 prices)	Million dollars	200	190	[2] 195	
	Per capita GNP	Dollars	127	119	[2] 119	
Peru	Total GNP (in 1955 prices)	Million dollars	1,500	1,550	[2] 1,560	
	Per capita GNP	Dollars	160	161	[2] 157	
Uruguay	Total GNP (in 1955 prices)	Million dollars	1,570	1,580	[2] 1,565	
	Per capita GNP	Dollars	600	594	[2] 580	
Venezuela	Total GNP (in 1955 prices)	Million dollars	5,200	5,460	[2] 5,730	
	Per capita GNP	Dollars	899	917	[2] 934	

[1] Not available. [2] Estimated.

Fourth. How much offshore procurement in dollars has there been last year in each of these countries? Has it been increasing or decreasing over a period of the past few years?

I. Total ICA commodity expenditures, and source of procurement

[Thousands of dollars]

Fiscal year	Total	United States	Offshore
1955	984,971	774,861	210,110
1956	1,042,951	706,992	335,959
1957	1,235,907	708,355	527,552
1958	1,012,758	524,004	488,754

II. Total military assistance program offshore procurement contracts placed for equipment and supplies

[Millions of dollars]

Fiscal year:	Total
1955	166.3
1956	72.1
1957	143.1
1958	41.4
1959 (programed)	91.6
1960 (programed)	51.8

Fifth. How much did private U.S. banks lend to investors in the economic endeavors—also social and political endeavors—of these countries?

Preliminary estimates indicate that short term and longer term U.S. private banking claims on foreigners in Latin America, Asia, Africa, and the Middle East totaled about $2.4 billion at the end of 1958 as compared with about $2.1 billion at the end of 1957 and about $1.8 billion at the end of 1956. These figures do not, of course, include credits to domestic enterprises which may, in part or in whole, have been used in their business activities in the less developed countries; data on such credits are not available.

Sixth. (A) How much did the Export-Import Bank lend last year and what are the balances and record of payments?

Loan commitments made by the Bank in the calendar year 1958 totaled $967 million compared with disbursements of $784 million.

Balances of loans outstanding as of December 31, 1958, were $3,314 million.

Repayments during the year totaled $316.8 million.

Lending activities of the Bank in 1958 were generally higher than in previous years. Loans made to Latin American countries reached the highest dollar volume of lending by the Bank in the Western Hemisphere in the last 25 years.

Sixth. (B) How much did the International Bank for Reconstruction and Development lend last year and what are the balances and record of payment?

Loan commitments made by the IBRD in the calendar year 1958 totaled $770 million compared with disbursements of $540.9 million.

Balances of loans outstanding as of December 31, 1958, were $3,275 million.

Repayments during the year totaled $40.3 million.

Total loans approved net of cancellations:

	Million
1947	$497
1948	28
1949	219
1950	262
1951	207
1952	281
1953	256
1954	273
1955	396
1956	503
1957	472
1958	764
Grand total	4,158

Seventh. What is the ratio of Development Loan Fund loans to loans received from other free world sources?

The rate of loan commitments of the Development Loan Fund during the first year of its effective operation—that is, during calendar year 1958—amounted to about $650 million. A gradual expansion of the operations is expected over the next few years. Because this is a new program, actual disbursements were only a fraction of the commitments; it is reasonable to assume that for at least a year or two the rate of expenditures will lag behind loan commitments.

Bilateral government economic assistance expenditures by the other free world industrialized countries extended to the less developed areas amounted to about $1.2 billion in 1958. This represents an increase from

an average of about $650 million in the years 1954–56.

In comparing these magnitudes it should be remembered that about 90 percent of the aid given by the other free world countries goes to the oversea dependencies of the European metropolitan powers and to other areas with which they have close political and economic links. A very small portion of Development Loan Fund loans is likely to go to the same area.

Eighth. Has the Development Loan Fund, indeed, served the purpose of cutting down the requests for outright grants as it was intended to do? Congressman FORD testified earlier this year that this had been the case. What did the committee find the dollar figures to be on the cutback? In relation to the amount of loans?

The amounts used for bilateral economic aid, exclusive of technical cooperation, have been $1,239 million for fiscal year 1956, $1,349 million for fiscal year 1957, $1,068 million for fiscal year 1958, and $1,058 million for fiscal year 1959.

You will note a sharp decline of almost $300 million in fiscal year 1958, the first year of Development Loan Fund operation.

Some parts of bilateral economic aid, excluding Development Loan Fund, have been used on a loan basis. These amounts are $74 million for fiscal year 1956, $283 million for fiscal year 1957, $124 million for fiscal year 1958, and $64 million for fiscal year 1959.

When the loans made under the older programs are added to those made by Development Loan Fund, we find that only 6 percent of total aid in fiscal year 1956 was on a loan basis. For fiscal year 1957 the figure was 21 percent, for fiscal year 1958, the first year of Development Loan Fund, it was 29 percent, and this year it has risen to 42 percent.

Ninth. The committee's report on the operation of the investment guarantee program is ambiguous. On page 44 the committee states that only $160 million out of $500 million remains available and applications now exceed $1 billion. Yet on the very next page the committee quotes, I suppose with approval, the statement of the chief of the investment guarantee division, as follows:

"It is our belief that the war risk guarantee, to make any appreciable contributions to the stimulation of private investment, should be broadened to include revolution, insurrection and civil disturbances arising therefrom."

Well, a program that attracts a $1 billion backlog certainly sounds like one that is making an appreciable contribution. If the division chief thinks $1 billion is not an appreciable contribution I believe the committee and the Congress should have some idea what he thinks the adjective "appreciable" means, $20 billion?

Mr. Warden's testimony was limited to pointing out that the war risk guarantee authority in its present limited form has made no appreciable contribution to the program or even to the volume of pending applications. The billion dollars in pending applications and the contracts written to date are the results almost wholly of the convertibility and expropriation authorities.

If the war risk authority were expanded as indicated it is expected that it would add to the total amount of American investment encouraged to go abroad, although it is improbable that Mr. Warden intended to leave the impression that he could estimate approximately the magnitude of the additional investment which might be so encouraged.

Tenth. What is the total amount of Public Law 480 funds that are presently available for the same purposes listed in the mutual security bill? The committee report seems to list only those funds obligated. What the Congress needs to know is what funds have been generated and how much agricultural surplus there is available that might reasonably be generated into Public Law 480 funds in the ensuing fiscal year?

The United States has concluded as of December 31, 1958, Public Law 480 sales agreements totaling the equivalent of $3.3 billion. Actual sales have been consummated as of that date for which the foreign currency equivalent of $2.5 billion has been paid. Of this, $1.1 billion has already been expended. The balance remaining in Treasury accounts as of December 31, 1958, was $1.4 billion equivalent. Of the total of $3.3 billion of sales agreements, $2.1 billion was earmarked for use within the foreign country, of which $273 million was for military grants, $216 million for economic grants, and $1,646 million for economic loans. Of these amounts $195 million had been dispersed for military procurement, $68 million for grants for economic development, and $493 million for loans for economic development. Thus, there is a potential balance, when all sales have taken place, of the equivalent of $1,378 million in foreign currencies which will be able to be used for military procurement grants, grants for economic development, and loans for economic development.

It should be borne in mind that these currencies do not replace dollars and the mutual security program presented to the Congress takes fully into account the possible uses of these currencies to meet local currency requirements in the countries being assisted.

So far as the future is concerned, this will depend upon the action taken by the Congress in authorizing further Public Law 480 sales and on the negotiation of sales agreements. Again, the mutual security program projects estimates of such sales in the various countries being assisted and takes fully into account the extent to which these availabilities of agricultural commodities reduce the need for financing of imports through dollar grants or loans.

Eleventh. What is the total amount of counterpart funds available for these programs? Again the committee seems to report those which have been obligated, not those which are available. What additional counterpart funds—if any—are still generated and might be generated in the ensuing fiscal year?

Counterpart (country-owned)

Unobligated or uncommitted deposits, June 30, 1959	$127,573,000
New deposits estimated for fiscal year 1960	753,155,000
Total available for obligation	880,728,000

Twelfth. What are the unobligated balances previously appropriated for this program? The obligated but unspent funds are listed but it is hard to figure the unobligated balances.

Unobligated and unreserved balances available in subsequent years

[In millions]

1950	$575.9
1951	873.3
1952	602.0
1953	2,116.3
1954	2,463.6
1955	48.6
1956	338.1
1957	764.2
1958	231.4
1959 (estimated)	[1] 292.9

[1] Forty-six million dollars military and $246,900,000 Development Loan Fund. An additional $14 million could be utilized for programs in fiscal year 1960 if permissive legislation is provided in the fiscal year 1960 Appropriation Act.

Two hundred and forty-six and nine-tenths million dollars of this fiscal year-end figure represents funds which, although not technically obligated in the form of signed loan agreements, are considered to be effectively obligated through issuance of formal letters of commitment constituting a pledge by the United States to make the funds available, and funds thus committed will not be available for any other use.

Thirteenth. What are the dollar balances of trade of the countries benefiting under this program?

These figures appear for each country on the yellow divider sheets which constitute the first page of each country statement in the presentation books.

Fourteenth. On page 64 of the report the committee devotes a paragraph to "Use of Excess Government Property for Economic Assistance" and states:

"There is now authority to utilize excess property under the act either by purchasing it at the price established in accordance with law by GSA or the holding agency, or possibly in special circumstances at no cost in accordance with applicable regulations."

Now we are talking about sizable sums when we get into surplus property. We have been disposing of around $7 to $8 billion of surplus property generated by the Military Establishments a year for several years. In the report of the Appropriations Committee on the military appropriation bill this year, it was stated that there is about $26 billion of surplus property waiting to be disposed of in the Military Establishment. We have been averaging about 8 cents on the dollar on the property sold.

Just how much surplus property in dollar value does the committee think might be channeled into the foreign aid program for this fiscal year? A couple of billion or maybe only a few hundred million?

All material excess to U.S. defense requirements is carefully screened against the needs of the military assistance program. All defense excesses are so screened, but it should be clear that only those excesses can be applied against military assistance program requirements that meet a real need. As pointed out by Assistant Secretary of Defense Irwin on page 134 of the hearings:

"In fiscal year 1959, $331 million of excess materiel is programed for our allies and $85 million in fiscal year 1960."

Mr. ALGER. Mr. Chairman, the fiscal year 1961 foreign aid or mutual security authorization is history repeating itself in the House of Representatives. The same arguments for and against. The same damning criticisms of waste and mismanagement, and unanswered questions, yet the spending goes on and on.

Today's debate points out that the program needs review and reprograming, not habitual continuation; that Congress has lost more control of the yearly military and Development Loan Fund; that dictators, government leaders and industrialists are helped and that the people, nation by nation, all too frequently overlooked; that the bureaucracy in the ICA keeps the program self-perpetuating; that mistakes are being condoned and repeated instead of being corrected. The examples cited by the report of the subcommittee study group and the remarks of the gentleman from Georgia [Mr. PILCHER] amply bear out these points.

Further, the gentleman from Louisiana [Mr. PASSMAN] has outlined the $8.1 billion now in the pipeline and available either unobligated or unexpended. Besides this amount is the money in the Public Law 480, the total of military construction, investments in six or more international banks, foreign currencies

we own, cost of use of surplus excess property, offshore procurement—and now this new authorization of $1.3 billion, plus $2.7 billion of military and Development Loan Fund amounts. Then we have the interest on $93 billion of foreign aid at 4 percent which amounts to $3.6 billion. And that's not all.

What is the total cost of foreign aid yearly? Who knows? Our earlier requests for review and study go unheeded by the majority as we rush headlong into more programs and bigger spending.

In fact, my earlier criticisms of the mutual security program of last year are so timely that I shall include them at this point. Only the figures need be changed—that is, added to—the course is always up, to bigger spending.

VIEWS OF 1959 CONCERNING AUTHORIZATION

The Mutual Security Act (foreign aid) passed 271 to 142 (ALGER against) after 3 days debate. Three thousand, five hundred million dollars was involved, mainly allocated to military assistance ($1,440 million), economic ($1,900 million)—which includes defense support ($750 million), Development Loan Fund ($700 million), technical assistance ($209 million), special assistance ($250 million)—and contingency fund ($100 million).

Military assistance goes to 37 countries (26 of these also get economic aid). Our 1,700 combat ships, 42,000 planes, and 900,000 men are increased by our allies by 2,500, 30,000 and 4.9 million respectively. We also maintain 250 overseas military installations to support our far-flung Strategic Air Command (SAC). Since inception in 1949, the United States has spent $22 billion and other nations $122 billion in the joint military effort. (Yugoslavia got $800 million). NATO (North Atlantic Treaty Organization) gets most of the funds, although South America, the Mideast, Asia, and Far East are included.

Economic assistance ($1,900 million) is dispensed as defense support, Development Loan Fund, technical assistance, and special assistance. Defense support goes to 12 nations—Korea, Republic of China (on Formosa), Vietnam, Phillippines, Laos, Cambodia, Thailand, Pakistan, Iran, Turkey, Greece and Spain. Actually, it is twofold: (1) Outright grant to help support economically the increased military capability, and (2) grants and loans to develop economically the industries and standard of living. The Development Loan Fund is continued and expanded by $700 million to provide increased loans, repayable in local currency (so this becomes a gift). Technical assistance is offered to 49 countries and nine territories, designed to introduce innovations and increase skills, also to improve standards of living with emphasis on health, education, agriculture, industry to lay basis for long term benefits. We provide (1) U.S. technical experts, (2) materials for demonstration projects, (3) education in this country for foreign people, (4) U.S. colleges contracting to organize educational institutions in foreign countries. Special assistance provides health and education programs in West Berlin, Afghanistan, Bolivia, Burma, Ethiopia, Haiti, Indonesia, Israel, Jordan, Liberia, Libya Morocco, Nepal, Somalia, Sudan, Tunisia, and Yugoslavia. This is conceived to be "economic aid that is necessary to achieve political, economic, humanitarian or other objectives of the United States." The contingency fund is at the disposal of the President for discretionary use to further any aim of the act as the President may see fit.

Historically, foreign aid extends the lend-lease philosophy of World War II. Earlier, aid in World War I was in the form of loans with interest, some later canceled. After World War II, $3 billion was spent through UNRRA (United Nations Relief and Rehabilitation) in liberated countries to purchase goods for immediate needs. Then the International Monetary Fund was established for currency convertibility, and the World Bank for reconstruction loans. The Marshall plan for European economic recovery provided $5 billion a year for 4 years. Always, the overall purpose was twofold—(1) Survival from aggression, and (2) continuation of our free society. The magnitude of U.S. foreign aid is $124 billion since July 1, 1940, to June 30, 1959, $49 billion through World War II, and $75 billion since then (plus this bill). In addition, we have $3,420 million in international funds.

The area of agreement in debate over foreign aid includes recognition of the need for: (1) Disaster relief to other nations; (2) combatting the threat of Soviet imperialism; and (3) stable economic relationships of the United States and other nations in their respective growths. The area of disagreement embraces everything else. Probably there are as many differing views as there are Members of Congress. Basically, there seem to be two prevalent attitudes. Some believe governmental foreign aid is necessary and permanent in the immediate and long-run interest of the United States, that weaker countries must be aided, that the national interest is in the humanitarianism of our government. Others believe in the "fortress America" argument, that the United States must concentrate on its own military and economic strength, relying less on strong allies, and that humanitarianism or charity begins at home and is not, as now practiced, the role of government.

Perhaps arguments for and against will highlight these differences. For (1) help build a strong free world alliance essential to U.S. security; (2) help U.S. allies build adequate defenses without imperiling their basic economy; (3) provide a more economical defense for United States in money and manpower; (4) help deter Soviet aggression and to meet it more effectively if deterrence fails; (5) help raise living standards in the less developed areas and thus make Communist claims less attractive; (6) lay foundation for world prosperity by building self-sustaining economies; (7) help develop favorable attitude toward United States; (8) help stimulate increased private American investment in underdeveloped areas; (9) help increase American exports and develop markets in underdeveloped areas; (10) help provide employment for Americans.

Arguments against (generally in same order): (1) United States is providing much larger percentage (of its national income) on military contribution than the allies. Are our allies really neutrals? Will these nations use these arms against each other or us? (2) United States is imperiling its own economy by giving away borrowed money. U.S. debt is greater than that of all the world, it operates at a deficit, its gold supply is being drained by these gifts to others, its currency is becoming "soft" in the world market; (3) such outpouring of our wealth therefore is not the economical way. Anything imperiling our basic economic strength weakens (a) our military potential and capability, and (b) our freedom, now and for future generations; (4) we do not deter Russian aggression by spending when one of their own dedicated aims is to "spend us into bankruptcy" (5) the fallacy of communism successfully preying on poverty is not borne out in fact, though many accept it unquestioningly. Raising economic standards does not in itself dispel communism; (6) self-sustaining economies cannot be imposed by U.S. dollars or know-how but by development from within the individual country; (7) the attitude toward United States will not be determined by monetary help. We cannot buy friends or allies; (8) private American investments will result from presence and recognition of opportunity for profit; (9) foreign aid as a subsidy for American business and employment is wrong. On the contrary, such aid has built industries abroad for which taxpayers paid and which now compete with our industries and our employment to U.S. detriment, although it may not be permanent dislocation.

Unanswered questions include: (1) What is effect and relationship between foreign aid gifts and trade balance between recipient nations and the United States? (2) Has U.S. private investment gone up or down in these nations? (3) Have these nations benefited, measured by their economic growth? (4) How much buying is done abroad and in the United States with these foreign aid dollars? (5) How much have private U.S. banks loaned to private investors in foreign economic endeavors? (6) What relationships are there between the Export-Import Bank, the World Bank, and foreign aid's development loan fund to particular nations? (7) Is the investment guarantee program sound? (8) How much Public Law 480 agricultural surpluses are given away in relationship to foreign aid, and how much and what happens to these local currencies thus generated? As I see it, the foreign aid program is self-defeating and is badly in need of review. We help neutrals or enemies and alienate friends. We rely on materialism when freedom, free enterprise, and deep-seated spiritual beliefs are our ruling precepts. We expound charity, simultaneously manipulating our gifts as instruments of foreign policy. This confuses everyone, including ourselves.

My conclusions are these: (1) Our Government intends that foreign aid shall be continuous and global; (2) the threat of Communist aggression rules our our continuing to dispense lavish foreign aid when our own economy is threatened and our defenses are inadequate; (3) in a number of recipient countries our foreign aid helps to strengthen political systems hostile to our own; (4) our foreign aid speeds rather than retards the growth of communism; it inflates our economy; it is partially responsible for the alarming flight of gold from our control; it is destroying our foreign markets and increasing unemployment among American workers; (5) by the very nature of the foreign aid we extend, it must be inefficient and wasteful; and (6) our governmental foreign aid program is unsound in principle.

My recommendations are these: (1) that our traditional generous private charity and governmental grants to relieve disaster be continued; that we encourage the expansion of our private missionary efforts; (2) that in countries which we are morally obligated to defend and which are directly threatened with Red aggression, military assistance—for the time being—should be continued, but on a realistic basis; (3) that foreign aid which directly or indirectly promotes governments that are hostile to our constitutional concepts of government be terminated immediately; (4) that so long as governmental foreign aid is continued, the recipient should pay a part of the cost of the proposed project; that our aid should terminate when the conditions on which that request is based have been remedied; that private technical, scientific and educational assistance be extended only to friendly peoples who seek our aid on a cash or loan basis; (5) that until foreign aid is terminated, the Congress take steps properly to exercise close supervision and control over the manner in which all foreign aid funds are being spent; that all future economic aid, plus what can be salvaged from unexpended foreign aid funds, be diverted to and handled by the Export-Import Bank; (6) that the $3.9 billion requested by the President for the fiscal year 1960 be reduced $2

billion and that each year thereafter foreign aid be substantially reduced until terminated within 3 years; and (7) that military matters be left to our military and foreign affairs be left to the State Department, and their existing organizations, so we can dismantle the huge 12,500-person foreign aid bureaucracy, and stop the duplication of effort.

VIEWS OF 1959 COVERING 1960 APPROPRIATIONS

Foreign aid: The mutual security authorization has already passed; but we have yet to appropriate the money. I can imagine few Congressmen who could be said to be for or against foreign aid, as such. Many of our military assistance programs are wholly justified, and that's true, too, of some ventures in the ficid of purely economic aid. In the broad ideological struggle going on today, however, I'm at a loss to know why U.S. taxpayers should have to help finance the undertakings of Communist governments (as in Yugoslavia and Poland) and to subsidize socialist experiments of others the world over. Moreover, to assert that the requested amount is the rockbottom figure acceptable is to ignore innumerable reports by the Comptroller General and others who have pointed out appalling waste and mismanagement in the program. Like the housing bill described earlier, it comes down to how much outrageous boondoggle one is willing to accept in order to continue other admittedly good programs. For one, I'm convinced the foreign aid appropriation can and should be pruned considerably.

The foreign aid appropriation (mutual security) bill and debate was history repeating itself (Newsletters, June 20, 1959, March 4, May 17, 1958). The earlier $3.5 billion authorization (reduced from $3.9 billion request) was cut this go-round to $3.1 billion and passed 279–136 (ALGER against). The component parts are: (1) Military assistance; (2) defense support; (3) Development Loan Fund; (4) development assistance; (5) technical cooperation; and (6) contingency fund.

Facts and figures from debate and hearings (1,781 pages): (1) Of 86 nations in the world, United States has given $82 billion to 76 nations since World War II; (2) U.S. foreign aid personnel has grown from 458 in 1948 to 53,600 in 1958; (3) 67 free nations' debt is $185 billion; the Soviet bloc has debt of $51 billion; the U.S. debt is $285 billion, $48 billion more than all the rest of the world combined; (4) total money available (unexpended $4.8 billion, this bill $3.1 billion) is $8 billion plus foreign currencies we own of $1.5 billion or approximately $9.5 billion (actually there's more); (5) yearly foreign aid includes other military expenditures than in foreign aid bill (over $1 billion) and surplus food gifts ($1 billion or more), approximating $5.5 billion. Add to this the yearly interest on $82 billion of foreign aid now part of the national debt, $3.1 billion, makes actual yearly foreign aid $8.5 billion; (6) over 2,000 separate projects have now been reduced to 1,450, many abandoned as impractical (9 pages, 60 specific projects documented in hearings); (7) Comptroller General of United States has audited and examined foreign aid, found it overprogramed and mismanaged, inefficient, etc., with too much money the chief cause of the trouble.

Random examples: (a) Graft, corruption, and profit from improper distribution and sales of aid materiel by foreign businessmen and officials; (b) military vehicles delivered could not be used, shortage of drivers and maintenance; (c) ammunition and equipment ruined because not properly stored; (d) 44 tires per truck stored in one nation; (e) 185 year's supply of particular ammunition on hand in one country and only one carburetor for trucks for entire army; (f) over 4,000 tons excess ordnance materiel in one country's depot; (g) diversion, pilfering, and thievery until military supplies were short in another country. Etc., etc. (8) Civilian projects of all kinds are financed, many types of which government cannot provide in our country (list of 113 such projects, p. 940, hearings); aid for education purposes has gone to over 50 countries, including Yugoslavia; (9) classification as secret or other security designation covers up glaring faults of the program; (10) 1,113 audit recommendations by ICA (International Cooperation Administration) and GAO (General Accounting Office) findings all show lack of planning and cost relationship; (11) military assistance, the most justifiable of the component parts, is replete with errors—(a) inadequate estimates of needs and costs; (b) inadequate relationship of cost and objectives to be achieved; (c) improper recordkeeping of total costs by country, and others; (12) groups that enjoy windfalls or are vitally interested are (a) printing and publishing industry, (b) motion picture industry, (c) shipping, (d) manufacturing, (e) export and import firms; (f) commercial banks, (g) colleges and universities, (h) clergy, (i) military. (13) "Loan" of Development Loan Fund is fictitious, repayable 80 percent in local currency which United States can't use; further, Congress has no control over this fund.

A few, even more than a few, instances of mistakes should not condemn such a program as foreign aid, but the almost endless examples of error, inefficiency, waste, mismanagement, overprograming, lack of objectives, and underplanning, in many countries culminating in aiding our enemies (Yugoslavia, Poland, Indonesia, etc.) and alienating our friends proclaims these as basic faults that need correction, not acceptance and continuation. As a nation, we cannot spend ourselves rich. We cannot make ourselves secure by giving ourselves away. We cannot buy friends; they do not stay bought. The greatest fallacy is to ascribe aid as charity or "be thy brother's keeper" through foreign aid by our Government. The real Biblical meaning is the practice between individual human beings, not governments, which by nature must be impersonal and realistically self-interested. This fundamental difference and role of government needs to be studied. As I oppose big Federal spending where there is wastefulness or contradiction of purpose, am I negative or anti as adduced in the last campaign?

Mr. Chairman, I want to commend the members of the subcommittee study group that made the 40,000-mile trip through 22 countries. Their report is an excellent contribution. Even more do I applaud those three courageous members who submitted minority views—the gentleman from Georgia [Mr. PILCHER], the gentle lady from Illinois [Mrs. CHURCH], and the gentleman from Indiana [Mr. ADAIR].

Democratic government and a free society flourish and thrive on the free exchange of ideas. There is nothing sacred or sacrosant about foreign aid spending. This spending program must stand up to the pitiless spotlight leveled by watchdogs of the taxpayers' money and of those determined to preserve our free economy and institutions. Just as charity begins at home so does preservation of moral values and financial solvency begin at home. We cannot buy friendship; we cannot, through dollars, instill moral and spiritual values. We have not even the money to support the world's material needs. We can only bankrupt ourselves. Generosity is one thing. Looking foolish in the eyes of those we would help through squandering our wealth and falsely coloring our motives are another. Only as we operate within a hardheaded, realistic, fiscally responsible program can we win respect and influence people. As for feeding and clothing others we can do neither if we go bankrupt. Our job, then, is twofold or threefold: First, to help others help themselves; second, to preserve and foster institutions and governments of freedom; third, to remain economically strong.

I sincerely believe that our present program fails basically in all these objectives. Yes, there are worthy programs. But the bad outweighs the good. The need, therefore, is to reexamine and replan the entire mutual security program, as the minority views so state.

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. O'HARA] to close the debate, and yield back the balance of my time.

Mr. O'HARA of Illinois. Mr. Chairman, I feel moved to close this debate with the eternal wisdom of the Scriptures. In the Catholic Standard version it reads:

> Cast thy bread upon running waters, for after a long time thou shalt find it again.

In the King James version the passage reads:

> Cast thy bread upon the waters for thou shalt find it after many days.

And the revised Protestant version reads:

> Cast your bread upon the waters, for you will find it after many days.

Mr. Chairman, I am not sure that always the problem of mutual security is approached in the spirit and the wisdom of this passage from Holy Writ. I wish to believe that what we in America do comes from a good heart, because surely I know that the heart of America is good, and we have concern for our neighbors and our friends in all the lands of the world. But with the impulses of a good heart is a concern for self-interest. I am concerned. Automation is making sweeping inroads into the demand for labor. Either we find new markets for the products of our factories or in the forseeable future we will have an army of unemployed that can only result in disorder and in chaos. That is my approach to this legislation in its economic phase. It is a great rich world in which we live, with millions of people who are just as human as the members of this Congress, people who if they had the means would buy those things that bring comfort and contentment just as our American people buy them.

I repeat, Mr. Chairman, that automation will result in unemployment in this country on a scale never heretofore approached unless we find new markets for our products, and this is a fact that must not be overlooked. We do have a self-interest in economic aid to the less developed nations of the world. I have the confidence that automation will not result in wide unemployment in our country. I have the confidence that our

factories will continue to turn out more and more products, that all Americans who need employment in order to live will find employment in our factories and on our farms, but this will come only because we have had the vision and the courage to carve out new markets by helping peoples in the less developed areas to enjoy a buying power.

Man in the perplexities of his problems for countless generations before the formation of a union of states on American shores has turned for guidance to the eternal wisdom of Holy Writ. May we not in the troubled world of which we are a part, a world in which a wise Providence has placed upon us large responsibilities, find in the passage from the Bible I have quoted a directive to our efforts and a guide to the fulfillment of our mission?

The bread we cast upon the waters—the Catholic translation has it running waters—may be the aid we give under the mutual security program to countries less developed. It is an investment in the present of less fortunate lands and in the future of our own land. It is bread that will be returned to us after many days, or as is stated in another version, after a long time, in the markets for our products, new rich markets that will keep open and busy our factories in an age of automation. It is the surest hope we have to combat a future unemployment in our own land that would be catastrophic. We cannot live alone. We cannot long endure in a world of poverty. The bread we cast upon the waters in the days of our affluence will return in the time of our need to make possible the continuance of that affluence. It is that simple.

Mr. Chairman, it would be less than honest for me to say that the bill we have under consideration is satisfactory to me in every respect. I doubt that it is completely satisfactory to anyone of a committee of 32 members. But it has been my observation and my experience that the best legislation comes from the compromising of differences. The fact that only 5 members of our committee of 32 members voted against the favorable reporting of the bill should be its strongest recommendation to our colleagues who serve on other committees.

To me it has been an exhilarating experience to serve in two Congresses with a committee every member of which is an individual, has definite concepts and pulls no punches in getting them across. There are no rubberstamps on the Committee on Foreign Affairs. The committee operates strictly under the 5-minute rule so that all members regardless of seniority on the committee have equal opportunity and equal responsibility.

This I emphasize in stressing that which I think is important, that when such a committee working in a complex and uncharted field compromises its differences and comes forth with a bill against which less than one-sixth of the membership of the committee voted, it must have merit.

I cannot give too much credit to our chairman, the distinguished gentleman from Pennsylvania [Mr. MORGAN]. The House has had in the past and it has in the present many outstanding chairmen whose names will live in the legislative history of our country. We on the Foreign Affairs Committee, and there is no exception, believe that. Dr. MORGAN has earned his place on that immortal roll. He has worked long hours, in presiding over the deliberations of our committee, he has been the maximum of fairness and that the committee has come up with a bill to which 5 of a committee of 32 individuals objected is indeed a tribute to our great chairman.

My own approach is one that takes into consideration both political and economic security. I briefly have touched on the matter of an economic security that is based upon the opening of new markets. While I deplore the cost and the risks of a race of armaments, believing that it is far wiser to use our means in helping men to live richer lives than in using them to build armaments to destroy life, nevertheless I cannot set up my own philosophy against the judgment of those charged with the political and physical security of our country in a world of danger.

I will have no part in playing dominoes with the security of our country. The decline of nations starts when there is a diminution of the will to remain strong.

The strength of a nation, however, is not alone in the strength of its armaments. There is a strength in morality that transcends the strength of missiles, bombs, battleships, and infantry.

If you will turn to pages 1 and 2 of H.R. 11510, the very beginning of the bill we have under consideration, you will find a reflection of an intensified stress on morality. Israel is our friend. It is a nation very much a counterpart of our own, standing in the Near East with ideals for which we stand in this hemisphere. It wishes ill to no one of its neighbors.

Just as we have a common interest with our sister nations on the American hemisphere, and realize that what is good for one is good for all so does Israel in the area of the Near East have a common interest in the development and advancement of that area where what is good for Israel will be good for her Arab neighbors and vice versa.

Yet despite the will of Israel to work cooperatively with her neighbors for a common regional benefit, the ships of Israel have been denied passage through the Suez Canal. H.R. 11510 in its statement of policy reaffirms the moral law in language that is definite and the meaning of which no one can mistake. It asserts that this country believes in freedom of navigation in international waterways and economic cooperation between nations and that the very purpose of this act is negated and the peace of the world endangered when nations to which we give assistance wage economic warfare against other nations by boycotts, blockades and the restriction of the use of the international waterways.

This, Mr. Chairman, is a step in the right direction. Whenever we stand on the moral law we will find respect awaiting us. Whenever we compromise with what is right, in the hope of gaining some temporary advantage, we will invite not respect but scorn. I have been much distressed and as an American I have felt humiliated that our great country has permitted some nations to which we give assistance to bar from service in American uniforms some Americans because of their religion. There is no advantage that is worth the gaining if the cost is an abandonment of the moral code that is implanted in our Constitution and by which we live.

Our position in the eyes of the world will again reach the stature of yesteryears when we assert to all nations that none can remain in our good graces when it seeks to force upon us a practice of discrimination intolerable in our own country.

I am most happy that the bill we have before us in its statement of policy makes the good start in a reaffirmation of the moral law as it applies to the right of the ships of all nations, including those of Israel, to have full access to the international waterways. I trust that in the administration of the program the administration will take the forthright position that into no country under any circumstances will we send American personnel unless the decision concerning that personnel is in our own exclusive determination. No power in the world has the moral right to tell Americans how any American in our service shall worship his God. And, Mr. Chairman, we invite only the scorn of the world when we do in our neighbors frontyard what we would be plagued to do in our own backyard.

As chairman of the Subcommittee on Africa, I am pleased and heartened by the inclusion of a special program for that continent. In the foreseeable future Africa possibly will have as many as 30 or 40 seats in the United Nations. We have a large stake in Africa, and because of misunderstandings arising from our alliance with the European colonial powers we have all but missed the boat.

The new program for Africa largely will be in the educational field. The great need in the new emerging nations of Africa is for trained civil servants. There is not time for long training. The need is immediate. It is a situation comparable to our own when war came to us and there was not time to send young men to West Point and Annapolis for 4 years of officer training. It is my hope that under our new special African program something comparable to our 90-day officers' training schools will be made available to the new African nations for training of needed civil servants. I have discussed the matter with recent visitors from Africa, including Dr. Banda, and the suggestion, I am happy to report, has met with enthusiastic response.

Mr. Chairman, tomorrow when we meet under the 5-minute rule is the day of decision. There is no more important decision we will be asked to make at this session. We shall vote on the future of our country, on its will to remain strong, and to fulfill its destiny under God. I know my colleagues too well, am too close to the beating of their patriotic hearts, am too familiar with

their dedication to their country and to mankind, to have any doubt of the decision. Tomorrow the clock will not be stopped. There will be no backward steps, but with faith in the wisdom of the Scriptures and in the purpose of our national existence, and with vision, we wil vote overwhelmingly to go ahead with our mission to build a better world for our own people and the peoples of all other lands.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mrs. BOLTON. Mr. Chairman, I yield back the remainder of my time.

Mr. MORGAN. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Security Act of 1960."

Mr. MORGAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11510) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE TO EXTEND

Mr. JUDD. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks in general debate on the mutual security bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

EXPUNGING REMARKS FROM THE RECORD

Mr. JACKSON. Mr. Speaker, on yesterday the gentleman from California engaged in a colloquy with the distinguished majority leader, the gentleman from Massachusetts [Mr. MCCORMACK], on a reservation of objection. By agreement with him, I ask unanimous consent that the colloquy be expunged from the permanent RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

(Mr. PHILBIN asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. PHILBIN'S remarks will appear hereafter in the Appendix.]

PROF. SEYMOUR HARRIS WRITES THAT IF CONGRESS REMOVED THE INTEREST RATE CEILING ON GOVERNMENT BONDS THIS WOULD BE A SIGNAL TO THE FEDERAL RESERVE TO RAISE INTEREST RATES FURTHER AND FURTHER TO STARVE THE ECONOMY FOR MONEY

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, Prof. Seymour E. Harris has written an extremely plain letter to the Washington Post and Times Herald on the qucstion whether Congress should agree to the administration's request that we remove the historic ceiling on interest rates at which the Treasury can issue long-term bonds. This letter appcars in the morning edition, April 20, of the newspaper mentioned.

Incidentally, I feel that the Washington Post and Times Herald is to be congratulated for publishing Dr. Harris' letter. This newspaper is on the other side of the issue and devotes its editorial and news columns to propagandizing for the administration's high-interest and tight-money policies. It reports on the other side of the issue only rarely and with apparent pain.

Dr. Harris' letter is most timely. A month ago it appeared that the drive to repeal the interest-rate ceiling had lost its steam. Both the Federal Reserve and the Treasury were then manifestly concerned over the possibility of a recession. The rosy business forecasts which were quite gencral at the beginning of the year had lost their bloom. In consequence, interest rates were allowed to sag. The Federal Rescrve people allowed credit to ease somewhat; and, equally important, there was a change in the mysterious realm known as "investors' expectations." The important people in Wall Street who buy most of the Government securities had then acquired a somewhat gloomy outlook concerning the future course of interest rates, and concerning prospects of getting the interest-rate ceiling repealed.

RENEWED DRIVE TO RAISE INTEREST RATES

Today, however, we are witnessing a sudden renewal of this drive to repeal the interest rate ceiling. This is really a last desperate effort, as I see it, before this Congress adjourns. Certainly improvements in business conditions and improvements in the business outlook since a month ago have not been too reassuring.. We could still have a setback before the November elections.

Even so, the stunt which the Treasury pulled two weeks ago, with its issue of the 4¼ percent, 25-year bond, has greatly revived investors' expectations. This stunt was, in large part, responsible for the spectacular jump in interest rates last week, but it was not wholly responsible. The Treasury also dumped a large and unusual crop of bills onto the market last week, just before income tax payments were due. Naturally these ran into a shortage of money and helped drive interest rates up. The Federal Reserve cooperated to the extent that it maintained Federal Reserve credit to the banking system at a level $284 million below that outstanding in the comparable week a year ago.

On Monday a week ago, April 11, the Treasury acccpted bids on its 13-week bills at an average interest yield of 3.622 percent, making a jump of almost a full percentage point in the rate on this bill from the previous week. On that day, the Treasury sold $1.1 billion of 13-week bills and about $½ billion of 26-week bills. These were about the usual amounts which the Treasury sells on its regular Monday bill auction, but in this case the Treasury had already announced that on the next day, April 12, it would auction, in addition, about $2 billion of 52-week bills. Accordingly, when this auction was held, the Treasury accepted average rate of 4.6 percent. Under the circumstances, these fantastic jumps in the bill rates are not surprising. These bills were to be paid for on Thursday, the 14th, only one day before income tax payments were then scheduled to be paid on Friday, April 15.

MILD PANDEMONIUM IN THE MONEY MARKET

Obviously, the Treasury did not need to accept the low bids on its bills which it did accept. In the first place, it did not need the money. It had a balance of approximately $3 billion on deposit with the commercial banks. Of course the Treasury does not like to draw down its balances with the commercial banks and deprive the banks of thc free use of these funds. But in this case the drawdown, if the Treasury had cared to use its own funds, would have been quite temporary. With the tax payments being made, these funds and more would have flown promptly back into the commercial banks.

In the second place, if the Treasury had really wanted to avoid creating a squeeze in the money market last weck, it could have sold the bills directly to the Federal Reserve System. It would thus have avoided driving up interest rates on its own securities and driving up all other short-term rates.

Over the last decade or so, both the Treasury and the Federal Reserve officials have repeatedly asked Congress to provide a "temporary" authority for the Treasury to sell securities directly to the Federal Reserve, up to a maximum amount of $5 billion outstanding at any one time. Furthermore, Congress has always granted this request. In fact, Members of Congress have proposed that the authority be made permanent. It has been made temporary only because the Treasury and Federal Reserve people have insisted that it be kept temporary—on a 2-year basis.

Daily Digest

HIGHLIGHTS

House passed independent offices appropriation bill and debated Mutual Security Program authorization bill.

Senate

Chamber Action

Routine Proceedings, pages 7711–7725

Bills Introduced: Nine bills and one resolution were introduced, as follows: S. 3391–3399; and S. Res. 307. Page 7714

Bills Referred: 31 House-passed bills were referred to appropriate committees. Pages 7712, 7750–7751

French President: Acting majority leader announced that President De Gaulle, of France, will address a joint meeting of Congress in the Hall of the House on Monday, April 25. Page 7718

Legislative Program: Acting majority leader announced that Senate next week may bring up on motion bills that have previously been announced as having been cleared by policy committee, including the following: S. 910, authorizing payments to local governments in lieu of taxes; S. 743, coal mine safety; H.R. 4251, to amend Internal Revenue Code with respect to exploration expenditures; and appropriation bills as they are reported, the first probably being H.R. 10569, Treasury-Post Office appropriations. Page 7718

Authority To Meet: Committee on Agriculture and Forestry was authorized to meet tomorrow during Senate session. Page 7712

Senate Schedule: Order was entered that when Senate adjourns on Thursday, April 21, it adjourn until noon Monday, April 25.

In this connection, acting majority leader announced that a brief session with no business and no voting is scheduled for Thursday, April 21. Page 7751

Authority To Report: Committee on Foreign Relations was authorized to submit up to midnight Friday, April 22, report on S. 3058, Mutual Security Act of 1960. Page 7751

D.C. Motor Safety: Senate laid down its unfinished business, S. 2131, to amend in several respects the D.C. Motor Vehicle Safety Responsibility Act. Page 7751

Confirmations: By 69 yeas to 15 nays, Senate confirmed nomination of James R. Durfee, to be an associate judge of the U.S. Court of Claims.

Senate also confirmed nomination of Leland Barrows, of Kansas, to be Ambassador to the State of Cameroun, and one nomination to a U.N. group. Pages 7725, 7730–7750, 7780

Record Vote: During Senate proceedings today one record vote was taken, which appears on page 7750.

Program for Thursday: Senate met at noon and adjourned at 5:42 p.m. until noon Thursday, April 21, when a brief session is planned without votes or transaction of business. Pages 7723, 7780

Committee Meetings

(*Committees not listed did not meet*)

WHEAT PROGRAMS

Committee on Agriculture and Forestry: Committee began hearings on the subject of wheat programs, having as its witnesses Senator Carlson; Marvin L. McLain, Assistant Secretary of Agriculture; Carl Bruns, Chappell, Nebr., and Leroy K. Smith, Fort Collins, Colo., both of the National Association of Wheat Growers; and Charles B. Shuman, American Farm Bureau Federation.

Hearings continue tomorrow.

APPROPRIATIONS—AGRICULTURE

Committee on Appropriations: Subcommittee continued its hearings on fiscal 1961 budget estimates for the Department of Agriculture, with testimony from Senators Murray and Case of South Dakota; Representative McFall; and from the following departmental wit-

nesses in behalf of funds for their respective departments: Ervin L. Peterson, Assistant Secretary, and C. M. Ferguson, Administrator, Federal Extension Service; Joseph G. Knapp, Administrator, Farmer Cooperative Service; Ervin L. Peterson, and Donald A. Williams, Administrator, Soil Conservation Service; Paul M. Koger, Administrator, Agricultural Conservation Program Service; and Clarence L. Miller, Assistant Secretary, and Oris V. Wells, Administrator, Agricultural Marketing Service.

Hearings continue tomorrow.

APPROPRIATIONS—TREASURY-POST OFFICE

Committee on Appropriations: Subcommittee, in executive session, marked up and approved for full committee consideration H.R. 10569, fiscal 1961 appropriations for the Treasury and Post Office Departments, and the U.S. Tax Court.

The full committee will hold an executive session to consider this bill tomorrow.

DISCLOSURE OF FINANCE CHARGES

Committee on Banking and Currency: The Subcommittee on Production and Stabilization resumed its hearings on S. 2755, to require the disclosure of finance charges in connection with extensions of credit, having as its witnesses L. S. Buckmaster, United Rubber, Cork, Linoleum & Plaster Workers Union, AFL-CIO; and Dr. Richard L. D. Morse, department of family economics, Kansas State University.

Hearings continue tomorrow.

TAXATION

Committee on Finance: Committee held hearings on H.R. 9662, proposed Trust and Partnership Income Tax Revision Act of 1960, receiving the testimony of Jay W. Glasmann, Assistant to the Secretary of the Treasury for Tax Legislation; and Arthur B. Willis, of Willis & MacCracken, of Los Angeles.

Hearings continue tomorrow.

MUTUAL SECURITY

Committee on Foreign Relations: Committee, in executive session, ordered favorably reported with amendments S. 3058, Mutual Security Act of 1960. The following table gives a summation of the committee's actions, as well as administration requests and House actions:

Mutual security authorizations, fiscal 1961

	Administration request	House bill	Senate committee bill
Defense support	$724,000,000	$675,000,000	$700,000,000
Bilateral technical cooperation	172,000,000	172,000,000	172,000,000
U.N. technical cooperation	33,000,000	33,000,000	33,000,000
OAS technical cooperation	1,500,000	1,500,000	1,500,000
Special assistance	268,500,000	256,000,000	260,000,000
U.N. High Commissioner for Refugees	1,500,000	1,500,000	1,100,000
Escapees	3,500,000	3,500,000	3,500,000
U.N. Children's Fund	12,000,000	12,000,000	12,000,000
Palestine refugees	18,500,000	18,500,000	22,000,000
Ocean freight	2,000,000	2,000,000	2,000,000
ICA administration	40,000,000	40,000,000	40,000,000
Atoms for peace	3,400,000	3,400,000	3,400,000
Contingency fund	175,000,000	100,000,000	175,000,000
Total	1,454,900,000	1,318,400,000	1,425,500,000

OCEANOGRAPHY

Committee on Interstate and Foreign Commerce: Committee held hearings on S. 2692, proposing the establishment of a 10-year program of oceanographic research and surveys, having as its witnesses Athelstan Spilhaus, dean, institute of technology, University of Minnesota; Sumner T. Pike, former Atomic Energy Commissioner; and Dayton E. Carritt, professor of oceanography, Johns Hopkins University.

Hearings continue tomorrow.

DRUG INDUSTRY

Committee on the Judiciary: The Antitrust and Monopoly Subcommittee continued its hearings on administered prices in the drug industry, having as its witness Dr. Austin Smith, president, Pharmaceutical Manufacturers' Association.

Hearings were recessed subject to call.

VETERANS

Committee on Labor and Public Welfare: The Subcommittee on Veterans' Affairs held hearings on S. 3274, to extend vocational rehabilitation programs for certain World War II Veterans, and S. 3275, to extend the guaranteed loan program for World War II Veterans. Witnesses heard were R. P. Bland, and other Veterans' Administration representatives; John J. Corcoran, the American Legion; Francis Stover, Veterans of Foreign Wars; and Martin L. Barthing, Jr., National Association of Home Builders.

Hearings were adjourned subject to call.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For Department Staff Only)

Issued April 22, 1960
For actions of April 21, 1960
86th-2d, No. 73

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HIGHLIGHTS: House passed mutual security authorization bill. House committee voted to report bills on multiple use management of national forests, and revision of Farmers Home Administration laws. Senate committee reported Treasury-Post Office appropriation bill. Senator Humphrey criticized administration's management of food-for-peace program.

HOUSE

1. MUTUAL SECURITY. By a vote of 243 to 130, passed with amendments H. R. 11510, the mutual security authorization bill (pp. 7902-39). Rejected an amendment by Rep. Wolf, by a vote of 46 to 93, which would have authorized the President to furnish without charge to the United Nations CCC surplus foods for use in underdeveloped countries (pp. 7920-5); and an amendment by Rep. Gross, 60 to 101, which would have provided that not less than 25 percent of mutual security funds would be used to purchase and make available to needy peoples surplus agricultural commodities produced in the U. S. (pp. 7930-1).

2. FARM LOANS; FORESTRY. The Agriculture Committee voted to report (but did not actually report) the following bills: H. R. 11761, to simplify, consolidate, and improve the authority of the Secretary of Agriculture with respect to Farmers Home Administration loans to farmers and ranchers; and H. R. 10572, with amendment, to authorize and direct that the national forests be managed under principles of multiple use and to produce a sustained yield of products and services. p. D329

3. ROADS. The Public Works Committee reported with amendment H. R. 10495, to authorize appropriations for the fiscal years 1962 and 1963 for the construction of certain highways (as introduced the bill included authorizations for forest highways and forest development roads and trails) (H. Rept. 1546). p. 7968

4. RECLAMATION; IRRIGATION. Passed without amendment S. J. Res. 150, to permit the Secretary of the Interior to continue to deliver water to lands in the 3d Division, Riverton Federal Reclamation project, Wyoming. This measure will now be sent to the President. pp. 7901-2

5. PERSONNEL; COMPENSATION. A subcommittee of the Judiciary Committee voted to report to the full committee H. R. 4271, to validate the salary overpayments made to certain Federal Employees Salary Increase Act of 1955 which were based upon erroneously retroactive wage increases administratively granted in addition to the retroactive salary adjustments authorized under the Act. p. D330

6. COMMERCE APPROPRIATION BILL, 1961. Permission was granted the conferees to file a conference report by midnight Thurs., Apr. 21, on this bill, H. R. 10234. p. 7891

7. COLOR ADDITIVES. The "Daily Digest" states that Secretary Flemming, HEW, who was scheduled to appear before the Interstate and Foreign Commerce Committee "on color additives legislation Friday, April 22, will be heard at a later date." pp. D329-30

8. LEGISLATIVE PROGRAM. Rep. McCormack announced that the legislative program for next week was undetermined. p. 7925

9. ADJOURNED until Mon., Apr. 25. p. 7968

SENATE

10. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 10569, the Treasury-Post Office appropriation bill for 1961 (S. Rept. 1282). p. 7858

11. WILDLIFE; RESEARCH. The Interstate and Foreign Commerce Committee reported with amendments S. 1781, to provide for cooperative research and training programs for fish and wildlife resources (S. Rept. 1285). p. 7858

12. SURPLUS FOOD. Sen. Humphrey commended the appointment of Don Paarlberg "as the Food for Peace Administrator," and stated that "I want this Record to note that the administration bitterly opposed that provision in the International Food for Peace Act, S. 1711 ...," and that "the administration's witnesses appeared before two committees, ... and strongly opposed any change whatsoever in the administrative management of our so-called surplus food program." pp. 7886-7

Sen. Humphrey inserted his address in which he criticized this Department's refusal to put into operation the pilot food stamp plan and stated that he will "press for enactment" of his proposed bill to establish a mandatory food stamp plan. pp. 7887-9

13. SUGAR. Sens. Dworshak, McNamara, Moss, Allott, and McGee were added as additional cosponsors of S. 3361, to amend and extend the Sugar Act of 1948, as amended. p. 7859

Metcalf	Prokop	Staggers
Meyer	Pucinski	Steed
Michel	Quie	Stratton
Miller, Clem	Quigley	Stubblefield
Miller, George P.	Rabaut	Sullivan
	Randall	Teague, Calif.
Miller, N.Y.	Ray	Teller
Milliken	Reece, Tenn.	Thomas
Minshall	Rees, Kans.	Thompson, N.J.
Moeller	Reuss	Thomson, Wyo.
Monagan	Rhodes, Ariz.	Thornberry
Moore	Rhodes, Pa.	Toll
Moorhead	Riehlman	Tollefson
Morgan	Rivers, Alaska	Udall
Morris, Okla.	Robison	Ullman
Moss	Rodino	Vanik
Multer	Rogers, Colo.	Van Pelt
Mumma	Rogers, Mass.	Van Zandt
Murphy	Roosevelt	Wainwright
Natcher	Rostenkowski	Wallhauser
Nelsen	Roush	Walter
Nix	Rutherford	Wampler
O'Brien, Ill.	Santangelo	Watts
O'Brien, N.Y.	Saund	Weaver
O'Hara, Ill.	Saylor	Weis
O'Hara, Mich.	Schenck	Westland
O'Konski	Scherer	Wharton
O'Neill	Schwengel	Widnall
Osmers	Shelley	Wier
Ostertag	Sheppard	Wilson
Pelly	Shipley	Wolf
Perkins	Short	Wright
Pfost	Siler	Yates
Philbin	Simpson, Ill.	Younger
Pillion	Slack	Zablocki
Pirnie	Smith, Calif.	Zelenko
Porter	Smith, Iowa	
Price	Springer	

NAYS—95

Abbitt	Fountain	Norrell
Abernethy	Frazier	Passman
Alexander	Gary	Patman
Alford	Gathings	Pilcher
Alger	Haley	Poage
Andrews	Hardy	Poff
Ashmore	Harmon	Preston
Bass, Tenn.	Harris	Rains
Beckworth	Harrison	Riley
Bennett, Fla.	Hébert	Rivers, S.C.
Blitch	Hemphill	Roberts
Boggs	Herlong	Rogers, Fla.
Bonner	Huddleston	Scott
Boykin	Ikard	Selden
Brooks, La.	Jennings	Sikes
Brooks, Tex.	Jensen	Smith, Kans.
Brown, Ga.	Jonas	Smith, Miss.
Broyhill	Jones, Ala.	Smith, Va.
Budge	Jones, Mo.	Spence
Casey	Kilburn	Taber
Colmer	Kitchin	Thompson, La.
Cramer	Landrum	Thompson, Tex.
Davis, Ga.	Lennon	Trimble
Dorn, S.C.	Loser	Tuck
Dowdy	McMillan	Utt
Downing	McSween	Vinson
Durham	Mahon	Whitener
Elliott	Mason	Whitten
Everett	Matthews	Williams
Evins	Mills	Willis
Flynt	Morrison	Winstead
Forrester	Murray	

ANSWERED "PRESENT"—2

Aspinall	Johansen

NOT VOTING—45

Andersen, Minn.	Grant	Mitchell
	Hargis	Montoya
Anderson, Mont.	Hays	Morris, N. Mex.
	Holland	Moulder
Auchincloss	Horan	Norblad
Barden	Jackson	Oliver
Brock	Kasem	Powell
Burleson	Keogh	Rogers, Tex.
Cooley	King, Utah	Rooney
Davis, Tenn.	Lafore	St. George
Dent	Lipscomb	Sisk
Derounian	McCormack	Taylor
Diggs	McGovern	Teague, Tex.
Fenton	McIntire	Withrow
Fisher	Mack	Young
Gavin	Meader	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Aspinall for, with Mr. Rogers of Texas against.

Mrs. St. George for, with Mr. Johanson against.

Mr. Keogh for, with Mr. Davis of Tennessee against.

Mr. Rooney for, with Mr. Burleson against.

Mr. Brock for, with Mr. Young against.

Mr. Moulder for, with Mr. Fisher against.

Mr. King of Utah for, with Mr. Grant against.

Mr. Auchincloss for, with Mr. Cooley against.

Mr. McCormack for, with Mr. Meader against.

Mr. Sisk for, with Mr. Barden against.

Mr. Hays for, with Mr. Mitchell against.

Until further notice:

Mr. Dent with Mr. Taylor.

Mr. Montoya with Mr. Norblad.

Mr. Morris of New Mexico with Mr. McIntire.

Mr. Oliver with Mr. Horan.

Mr. Anderson of Montana with Mr. Jackson.

Mr. Mack with Mr. Derounian.

Mr. McGovern with Mr. Fenton.

Mr. Diggs with Mr. Andersen of Minnesota.

Mr. Holland with Mr. Lafore.

Mr. Powell with Mr. Lipscomb.

Mr. Hargis with Mr. Gavin.

Mr. Kasem with Mr. Withrow.

Mr. ASPINALL. Mr. Speaker, I have a live pair with the gentleman from Texas [Mr. ROGERS]. If present he would have voted "no." Therefore I wish to change my vote from "yea" to "present."

Mr. JOHANSEN. Mr. Speaker, I have a live pair with the gentlewoman from New York [Mrs. ST. GEORGE]. If present she would have voted "yea." I wish to change my vote from "no" to "present."

The result of the vote was announced as above recorded.

RECOMPUTING OF RETIRED PAY

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I present the following privileged resolution (H. Res. 506) for printing in the RECORD:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11318) to provide that those persons entitled to retired pay or retainer pay under the Career Compensation Act of 1949 who were prohibited from computing their retired pay or retainer pay under the rates provided by the Act of May 20, 1958, shall be entitled to have their retired pay or retainer pay recomputed on the rates of basic pay provided by the Act of May 20, 1958. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CORRECTION OF THE RECORD

Mr. NORRELL. Mr. Speaker, on March 29, 1960, on rollcall No. 38, I was present and answered to my name. I am recorded as absent. I ask unanimous consent, Mr. Speaker, that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

RIVERTON FEDERAL RECLAMATION PROJECT

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolutions (S.J. Res. 150) permitting the Secretary of the Secretary of the Interior to continue to deliver water lands in the Third Division, Riverton Federal reclamation project, Wyoming.

The Clerk read the resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That pending completion of a repayment contract the Secretary of the Interior is authorized to continue to deliver water to the lands in the Third Division, Riverton Federal reclamation project, Wyoming, during the calendar years 1960 and 1961, as under the provisions of section 9, subsection (d)(1), of the Reclamation Project Act of 1939 (53 Stat. 1187, 1195, 43 U.S.C. 485h(d)) but without regard to the time limitation therein specified.

(Mr. ASPINALL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ASPINALL. Mr. Speaker, the enactment of this resolution would take care of an emergency situation that has developed on the Riverton Federal reclamation project in Wyoming. The legislation is necessary to permit the Secretary of the Interior to deliver water to lands of the third division of the project during the 1960 irrigation season. Information from the farmers on the project and from the Department indicates the water deliveries are needed immediately. The Secretary cannot deliver water to a portion of the project lands because the 10-year development period provided under reclamation law has expired and the repayment contract between the irrigation district and the Department has not been executed.

The third division of the Riverton project is a relatively small public lands project comprising approximately 8,000 acres. The lands were opened to entry in 1949 and 1950. At that time a 10-year development period was established to provide for organization of a district and the negotiation and execution of a repayment contract. Petition for organization of the district was finally filed in May of 1957 but litigation followed and there was a year and a half delay before the formation of the district was affirmed on October 17, 1958. Since that time, negotiations have been carried on between the Bureau of Reclamation and the district but it has not been possible to conclude all the required steps leading to the execution of the repayment contract. We have been advised by the Department of the Interior that all necessary contract arrangements are expected to be completed in the near future. However, since several steps remain to be taken and approval by the Congress of final repayment arrangements will be

necessary, the resolution provides for water deliveries both this year and 1961.

Although my committee is displeased that the situation requiring enactment of this resolution has developed because we believe the contract should have been completed within the allowed time, the committee agrees that water deliveries must be continued to all lands in the project, not only from the standpoint of the welfare of the farmers on the project but also in the interest of protecting the Federal Government's investment.

The SPEAKER. Is there objection to the request of the gentleman from Colorado [Mr. ASPINALL]?

There was no objection.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MUTUAL SECURITY ACT OF 1960

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11510) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11510, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read through section 1 ending on line 4. Are there amendments to this section?

Mr. CASEY. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CASEY. Mr. Chairman, today in my district by the little city of Deer Park, and the city of Pasadena, is a beautiful green plain with a beautiful monument marking a hallowed piece of ground in the State of Texas. Today there are bands playing and children laughing and playing on that ground, speeches are being made and the names of Stephen Austin, Travis, Bowie, Sam Houston, and other great Texas patriots, being mentioned with reverence.

One hundred and twenty-four years ago today the scene was quite different. It was a swamp on the banks of a lazy, sluggish bayou. In that swamp were encamped 1,600 Mexican soldiers under the leadership of their President, Santa Ana. They had, so they thought, trapped on a little rise of ground 910 Texans under the leadership of Sam Houston. They were waiting for the Texans to surrender, but the Texans had burned in their hearts and their minds the memories of the slaughter of Goliad and the slaughter of those brave defenders of the Alamo. The Texans did not wait for Santa Ana and his well-plumed and well-armed 1,600 to make their attack; the 910 charged the Mexican Army. This was one of the most decisive battles in history. In a matter of less than 20 minutes Sam Houston's men had conquered completely the army of Santa Ana. Six hundred and thirty Mexicans lay dead, 230 wounded, and over 700 captured. The Texans lost 9 men killed, and 30 wounded.

There were many Latin Americans in the fray, but we now enjoy a tremendous good neighbor relationship with our Mexican neighbors. Their culture has enriched ours. But on this day we revere, San Jacinto Day. Those heroic deeds still live in our memory when the Texans fought to establish their rights. That is why Texans have always held the rights of the individual to freedom in such high regard, and that is why Texans wish the enslaved countries of the world to have their San Jacinto Day, and we hope it may be in the very near future.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, usually I do not speak on the authorization bill for mutual security, as it is my privilege to chairman the subcommittee handling funds for the total mutual security program. However, I asked for this time in order to direct the attention of the Committee to the fact that whereas the Committee on Foreign Affairs—and it is a great committee—the Foreign Affairs Committee spent some 16 or 17 days conducting its hearings. The Foreign Operations Appropriations Subcommittee may require from 7 to 9 weeks for its studies of the requests for funds.

We run into many things that are indeed shocking. There is one matter of that type which I should like to direct to the attention of the Committee of the Whole House at this time. The ICA formulated a special educational course, and went to Johns Hopkins University which told them that no such course was available there. But the ICA prevailed upon Johns Hopkins to formulate such a course, and it was put together.

I believe the Committee would like to investigate this unusual contract with Johns Hopkins. The class consists of 20 students. All of them had previously been indoctrinated thoroughly in ICA, before they were turned over to Johns Hopkins, where they take a 5-month course. The amount that we pay Johns Hopkins is $80,000, which amounts to $4,000 per student, for a 5-month training course.

Mr. Chairman, this procedure is spreading also to other universities, and it should be investigated. Our subcommittee will document this situation with many pages of factual information. Many of the arrangements are just about as unreasonable and wasteful as the one to which I have just referred.

This so-called mutual-security program has grown to a point that there are more than 43,000 employees, many of them now in the top echelon. Every year new jobs are being created, many of them never before heard of in government. But the witnesses frequently cannot even tell us what these people are going to do. It is one of the most miserable conditions with which our subcommittee has had to contend.

Some time ago I addressed myself to the membership and stated that foreign aid is now costing the American taxpayers $10 billion annually. I want to amend that figure and say that if the interest on what we are borrowing to pay for foreign aid is included, it will result in to total annual cost of nearly $11 billion.

When we bring the appropriation bill to the floor, we will thoroughly document evidence of waste and mishandling and poor planning, and so forth; and you will know, as I do, that this is the most wastefully expensive and most inefficiently controlled program ever conceived by the mind of man.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Virginia.

Mr. GARY. The gentleman mentioned that for the 20 in training now at Johns Hopkins the Government is paying $80,000. They are asking for authority to train 43 at Johns Hopkins next year, which would cost $4,000 apiece, $840 a month for tuition, resulting in a figure of $172,000 rather than the $80,000 the gentleman mentioned.

Mr. PASSMAN. That is correct.

Mr. GARY. There is a similar contract with another university, Boston College, I believe.

Mr. PASSMAN. That is correct.

Mr. GARY. For a similar number.

Mr. PASSMAN. That is correct.

In addition, they have broken up the so-called technical aid program so that it is now in several different categories. They started a $20 million program of special assistance which they admitted is purely and simply technical aid, but because of the commodity portion amounting to more than 10 percent of the total, they decided to take it out of the technical assistance account.

There are seven of those technical aid programs, which branch off in different directions; but I can assure you that the subcommittee will certainly endeavor to bring them together. If you will read carefully the many hundreds of pages of testimony that our subcommittee will present to you on this subject you will more fully understand the puzzling situation with which we are confronted.

This implies no discredit to the Committee on Foreign Affairs, which held hearings on the authorization during 17 days. But, on the other hand, the Foreign Operations Appropriations Subcommittee will hold from 7 to 9 weeks of hearings. We believe you will support the reduced amount which the committee will recommend for this undeniably wasteful worldwide program.

Mr. DORN of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from South Carolina.

Mr. DORN of South Carolina. Is it my understanding that this course at Johns Hopkins and at the Boston University is designed to train people in the professional art of giving away the taxpayers' money?

Mr. PASSMAN. I think that that is very well stated. These people are already a part of ICA, and they bring them in and give them these additional courses, 166 subjects, in 5 months.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

(Mr. PASSMAN and Mr. GROSS asked and were given permission to revise and extend their remarks.)

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I cannot get too excited about the bill we have before us, and I am sure there are many others in the House who did not expect the Committee on Foreign Affairs to do anything but what they have done, and that is, give the administration practically every dime requested for the foreign handout program. I will be on hand to help the Appropriations Committee cut it down.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. I do not think that is true.

Mr. GROSS. It does not miss it very far.

Mr. MORGAN. Yesterday the gentleman said that $100,000 is a lot of money. One hundred and thirty-six million dollars is a lot of money, too, and that is what was kept out of this program.

Mr. GROSS. Relatively speaking, you cut out nickels and dimes. I still insist you gave them just about everything they asked for.

Yesterday I listened to practically all the debate, and I was amused by the number of those who apologized for the waste and inefficiency in this program. In fact, I heard the greatest array of apologists for a bill that I heard in my 12 years around here. With a few exceptions—and I am talking now about the members of the Committee on Foreign Affairs—the gentleman from Georgia [Mr. PILCHER], the gentlewoman from Illinois [Mrs. CHURCH], and the gentleman from Indiana [Mr. ADAIR], made no apology for their opposition to the bill. Practically everyone else on the committee who spoke were apologetic. The gentleman from Minnesota [Mr. JUDD], in his printed supplemental views on this bill, time after time told of his disappointments because of the waste and inefficiency.

On page 84 of the report there is another disappointment, yet the gentleman from Minnesota supports every dime in this bill.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I will be glad to yield to the gentleman if he can explain all the criticism he made about this program and still defend it.

Mr. JUDD. I practiced surgery for 19 years.

Mr. GROSS. Just a moment.

Mr. JUDD. Many, many times I used procedures that I thought would save the patient's life or relieve his disease or suffering. Sometimes I was disappointed. Those particular measures failed; but I did not abandon the patient. I kept on trying. I continued to search for a better technique or procedure that would save his life.

Mr. GROSS. Just a moment.

Mr. JUDD. And I am going to continue to make that sort of constructive criticism and effort with respect to this program.

Mr. GROSS. And if the patient died, the undertaker took care of him. Who is going to take care of this corpse known as the taxpayer of the United States if you continue your errant ways in respect to this kind of spending?

Mr. JUDD. If you were to knock this program out, you would not save anything for the taxpayers. You would increase the overall tax burden on them, to pay for the far greater cost of enlarged Armed Forces of our own.

Mr. GROSS. That is your opinion, and it is not supported by a single fact.

Mr. JUDD. I think I am a better friend of the taxpayers than my colleague from Iowa.

Mr. GROSS. What is that? I did not hear the gentleman.

Mr. JUDD. I said I think that in supporting this program I am a better friend of the taxpayers and saving them more money now than is my distinguished colleague from Iowa.

Mr. GROSS. That, again, is the gentleman's opinion. Of course, the gentleman from Minnesota and the rest of those who apologize for this program say, "Oh, yes, sometime in the dim, distant future—we do not know when, but sometime in the dim, distant future—we will correct all of the waste and inefficiency that has been going on from the time this baby was born."

Mr. JUDD. Mr. Chairman, will the gentleman yield further?

Mr. GROSS. Yes.

Mr. JUDD. Is the gentleman happy about the results of all our various farm programs Is he not a little disappointed with respect to some of the efforts we have made and are making to solve our farm problems?

Mr. GROSS. At least, whatever the deficiencies of those programs, we have been spending the money in this country.

Mr. JUDD. Of course, 80 percent of the money in this program is spent in this country, in the first instance.

Mr. GROSS. I repeat that Americans are getting some benefit from the farm program, and I do not accept the statement that 80 percent of the foreign handout program is spent in this country.

Mr. JUDD. I am sure that the gentleman, representing a farming district in Iowa, will not give up on efforts to get a better farm program just because we have been disappointed in the existing one.

Mr. GROSS. And I do not think Public Law 480 is any solution to the farm problem, either; perhaps the gentleman thinks it is, but I do not.

Mr. JUDD. And to the extent that it is not, we will have to find other and better solutions.

Mr. GROSS. The gentleman had a great deal of time during general debate yesterday and I did not have any success in obtaining time.

Mrs. BOLTON. The gentleman was not here when we looked for him.

Mr. GROSS. I was here when the gentlewoman yielded back 21 minutes of time.

Mrs. BOLTON. I looked for the gentleman, because I promised that I would, but the gentleman was not here on the floor.

Mr. GROSS. Well, we will not argue about that any more than we did yesterday when the gentlewoman from Ohio said that this is a $1,300 million bill when the entire program will cost more than $4 billion.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. GROSS] has expired.

Mr. GROSS. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. COOK. Mr. Chairman, I object.

Mr GROSS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. GROSS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The CHAIRMAN. The gentleman Iowa is recognized in support of his preferential motion.

Mr. GROSS. I would like to ask the gentleman from Pennsylvania why this exception of $100 million on page 3. The language in the bill reads as follows:

The Fund shall not allocate or commit funds aggregating in excess of $100,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country which is supported by sufficient engineering, financial, or other data to indicate reasonably (A) the manner in which it is proposed to use such funds—

Why do you except $100,000?

Mr. MORGAN. The gentleman first said $100 million.

Mr. GROSS. Well, I mean $100,000. I cannot always keep up with the Committee on Foreign Affairs on figures.

Mr. MORGAN. This is for preliminary engineering studies. You cannot start a project and submit a program unless you have some engineering studies.

Mr. GROSS. It says nothing about limiting it to $100,000 for engineering studies.

Mr. MORGAN. In excess of $100,000.

Mr. GROSS. It does not say anything about limiting any project under the Development Loan Fund to $100,000 for engineering services. This pertains to a project involving $100,000; is that not correct?

Mr. MORGAN. Yes; a project.

Mr. GROSS. It does not say anything about engineering or management or anything else. But why leave it at $100,000? That could grow into several million dollars in view of the number of projects going on all over the world.

Mr. MORGAN. The gentleman from Virginia [Mr. HARDY] is the author of this language and the author of the amount, $100,000.

Mr. GROSS. I hope that an amendment will be adopted removing the $100,000 exception and provide that no

project can be started regardless of the amount involved without proper planning.

I should like to ask the gentleman how many supergrades there are in this bill.

Mr. MORGAN. Four.

Mr. GROSS. Why?

Mr. MORGAN. The administration asked for eight. The committee cut it down to four. Last year, if the gentleman remembers, the committee wrote in the Inspector General-Comptroller. The committee felt that two of these supergrades should be for the new agency, the Comptroller-Inspector General. One was to go to the Office of the Coordinator and one to the ICA.

Mr. GROSS. Congress gave this outfit 10 supergrades last year; did it not?

Mr. MORGAN. Yes.

Mr. GROSS. And now you want four this year.

Mr. MORGAN. You remember, the year before, they cut it back from 50 to 35. That was in 1958.

Mr. GROSS. There must have been good justification for it or we would not have been able to make a cut in this glorified bill. I do not know why you should want 4 additional supergrades this year, in view of the fact that you obtained 10 last year, and I shall offer an amendment at the proper time, if no one else does, to eliminate that request.

Earlier, when the State Department bill was before the House, I will say to the gentleman from Louisiana [Mr. PASSMAN], I mentioned the Milton Eisenhower-Johns Hopkins operation in connection with the Foreign Service Training Institute, or whatever it is.

I pointed out at that time that they have, as I remember it, three $16,000-a-year instructors for some 20 students.

Mr. PASSMAN. If the gentleman will yield, their salaries have been raised since that time. This fact was brought out in our subcommittee this morning.

Mr. GROSS. I am glad the gentleman from Louisiana called the attention of the House to some of the operations that are going on around here. I assume there is an authorization in this bill for the military assistance training school over in Arlington Towers where the American Research Institute is paying a retired general $14,000 a year in addition to the $6,000 a year he is drawing as retirement pay.

Mr. PILCHER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Georgia, and compliment him on the fine statement he made yesterday in opposition to this bill.

Mr. PILCHER. Talking about that $100,000, there are some countries where the Development Loan Fund has earmarked millions of dollars and the project has not yet been devised. In other words, they have earmarked the money but they have not yet even decided on a project.

Mr. GROSS. Yes. Here is some unclassified information I obtained from the mutual security outfit a few days ago. If you get the classified information, I do not know whether you could carry it around or not, but this is a list of the Development Loan Fund loans. I recall a couple of years ago that I raised a question concerning $5-million loan to Yugoslavia to purchase diesel locomotives. I asked at that time whether the locomotives would be bought in this country and I was assured they would be. Now I find in this record that they are being purchased abroad, $5 million worth of them.

The CHAIRMAN. The question is on the motion offered by the gentleman from Iowa.

The motion was rejected..

Mr. BAILEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was intensely interested in the debate that has been going on here particularly in the field of education and in the field of contracting educational programs abroad through the International Cooperation Administration.

I have here a letter from the Director of the International Cooperation Administration and from it I should like to read two or three paragraphs. Then I want to take up some of the details that are involved here.

DEAR MR. BAILEY: This is in reply to your letter of March 30 in which you request information about contracts between the U.S. Government and certain educational institutions to carry on educational programs abroad.

University contracts are employed by ICA as one means of implementing the technical cooperation program. As of March 31, 1960, the total cumulative obligations for contracts specifically aimed at education amounted to $26,644,208, involving 33 contracts with 27 universities operating in 19 countries. As early as 1951, the Economic Cooperation Administration negotiated an agricultural contract between Cornell University and the University of the Philippines. At the same time, the Institute of Inter-American Affairs negotiated a somewhat similar contract with the University of Arkansas for work in Panama, and the Technical Cooperation Administration negotiated a contract with the Oklahoma Agricultural and Mechanical College for work in Ethiopia.

May I digress from my set remarks at this time to remind you that we built an agricultural college in Ethiopia and we have built or are presently building nine agricultural high schools. The construction is paid for largely by the American taxpayers' money. And we are not only constructing buildings, but we are paying the major part of the salaries of all of these teachers in that agricultural college.

I have some comments a little further on on that particular project in Ethiopia.

University contracts are administered under the Office of Contract Relations, International Cooperation Administration.

I have here, and I am going to ask unanimous consent to put in the RECORD, a list of all the countries in which they are carrying on this program together with a brief description of what the program is. I am doing this, Mr. Chairman, for the sole purpose of calling to your attention the fact that I am going to be here pleading with you in the matter of a few days, I hope, to do something or other about the education of and creating educational facilities for American children. If we have the money to do this in a program of this kind, we ought not even have to go to the trouble of having a debate to furnish our American youth at least with an opportunity equal to what we are doing all over the world.

The matter referred to is as follows:

EXAMPLES OF ACCOMPLISHMENTS

Africa: Ethiopia has developed the foundation for the first modern public school system in the nation's 5,000-year history as a consequence of stimulation and joint planning with the ICA education program. In 1953 there were fewer than 500 qualified teachers to cope with a school population of 72,000 crowded into 718 makeshift classrooms. The single teacher-training institution that year graduated a total of 18 teachers. Today, because of joint effort, there are 4,300 teachers and supervisors in the nation's 3,910 classrooms which house 210,000 children. Teacher-training institutions now number 4 and produce 500 teachers annually. As a result of ICA assistance about 75 percent of all teachers receive summer school training for professional upgrading. The establishment of 148 new self-help village schools has improved and expanded educational opportunities in rural areas. Operating in all provinces, 87 post-elementary, academic, and special schools graduate about 1,300 skilled workers yearly for employment in 23 critical manpower areas.

Through ICA assistance the training of semiskilled and skilled artisans in the building and mechanical trades has progressed. The building trade school in Addis Ababa commenced as a joint effort in 1956 as one means of producing much needed building tradesmen and trade instructors. Training is now offered in electricity, carpentry, masonry, plumbing, and related subject matter in applied mathematics, science, and mechanical drawing. Over 100 graduates annually are obtaining employment in these trades while others are being trained and entering the teaching field in vocational education.

The vocational trades school in Asmara, Eritrea, which began as a cooperative program in 1953, was phased over to the Ministry of Education during fiscal year 1959. U.S. advisers have been reduced from 13 to 9 since the nationals have been trained to take over various shops. It is estimated that in 5 years sufficient vocational teachers can be trained to operate Ethiopian vocational schools with a reduced U.S. advisory staff providing backstopping only.

Libya: The teacher education project in Libya, which was initiated in 1953, has as its objectives the training of additional teachers through preservice programs and upgrade others through inservice programs. The accomplishment of these objectives will eliminate the necessity for the Libyan Government to employ untrained teachers and non-Libyan teachers. Approximately 300 teachers have been graduated from the teachers colleges in Tripolitania and Cyrenaica in each of the years 1958 and 1959. An additional 1,000 received training in a 10 weeks' summer program held at Tripoli and in special classes in Cyrenaica. Acceleration for the certification of elementary teachers is being carried on through evening inservice courses in six centers in Tripolitania.

Liberia: The vocational education program at the Booker T. Washington Institute in Liberia has shown rapid expansion since 1955, when ICA obtained under contract the services of Prairie View A. & M. College to assist in the training of vocational teachers and skilled workers. Enrollment at BWI Vocational High School has increased from 195 in 1954 to 450 at the present time. A total of 206 students have been graduated since 1955.

The last graduating class consisted of 63 students. During the period from April 1956 to May 1959, 10 buildings were constructed primarily by American technicians and BWI students. An academic building was completed by the Government of Liberia. The newly expanded Booker Washington Institute opened February 1958, with instructional programs in 16 vocational areas. Among the vocational trades included are agriculture, arts and crafts, automobile mechanics and machine shop, building trades, distributive education, heavy equipment mechanics, home economics, radio and communication, secretarial science, and tailoring. Under the Prairie View contract, ICA provided six advisers in 1955. A full complement of 23 advisers was reached in fiscal year 1958. As a result of training key people Liberian counterparts commenced working with American technicians in 1958. It is contemplated that by 1961, Liberian teachers will assume the major responsibility for operating the school.

LATIN AMERICA

Brazil: When ICA was requested to render technical assistance to Brazil in 1951, the State of Sao Paulo, one of the most active of industrial areas, lacked enough trained lower-level executives, foremen, and supervisors with which to promote industrial growth. At the request of the Ministry of Education, a training within industry program was instituted which involved (1) job instruction training, (2) job methods training, (3) job safety training, (4) conference leadership, and (5) human relations within industry. About 30,000 foremen and supervisors were trained in these courses. This particular program was phased out in 1958. As a followup on this training a newer program is now being organized in the same area for skilled and unskilled workers.

The Brazilian Air Corps had developed an aviation engineering college at Sao Jose de Campos. Brazil had no aviation industry and a study of the records of graduates indicated that they were absorbed in industries other than aviation. With the assistance of ICA this institution has been converted into a general engineering college with seven major fields in which students can specialize. This institution will now be able to supply Brazil with her much needed engineer corps.

The textile industry is the second largest industry in Brazil employing over 400,000 workers. With ICA assistance a survey was conducted to determine manpower needs of this industry; and it disclosed an acute shortage of foremen, departmental and top executives and highly skilled technicians. Again ICA technical assistance aided in organizing a textile institute in Rio, on the junior college level, which is now able to fill this gap in manpower needs. This project was phased out in 1959.

Guatemala: Guatemala has a population reported to be about 60 percent illiterate. The compulsory military training law brings all 18-year-old men into service for a 2-year period. With ICA assistance about 40 army officers have been trained in the techniques of teaching adults and these officers are now conducting literacy classes for new recruits. About 1,000 men at a time are taken for this training. Through such a program illiteracy is being reduced considerably.

Paraguay: As in other developing countries Paraguay, while agricultural, needs workers in service occupations. ICA assisted in the development of a vocational school in Asuncion which is now producing a trained corps of servicemen in a variety of occupations. The school solved a major problem during 1958 when the city of Asuncion installed a water system for the first time. There were, however, no plumbers to connect homes to water mains. The vocational school established special courses and, by working day and night, trained the needed plumbers. As of June 1960 this school is being phased over to the Government of Paraguay, no longer in need of technical assistance for effective operation.

Peru: Peru is a country in which the mining, petroleum, fishing, and manufacturing industries are making great progress. In all of these industries, chemical and industrial engineering—as well as analytical chemistry—play an important role. Many of the industries have modern laboratories equipped with modern instruments to carry on the chemical analysis and tests necessary for the development and control of production, but in all of Peru there has been no educational institution with trained professors in the field of analytical chemistry and instrumentation for giving effective training in these areas. Recognizing that the offering of such training would be of tremendous importance in the industrial development of the country, the University of San Marcos in Lima requested ICA to assist in the modernizing and broadening of the department of chemistry. Three years ago ICA entered into a contract with the University of New Hampshire to carry out such a program of assistance at the University of San Marcos through the training of professors and the provision of a modest amount of equipment basic to the training program. This very successful program will be completed in June 1960.

NEAR EAST-SOUTH ASIA

Turkey: One of Turkey's major problems is the erasure of illiteracy. Since 50 percent of the conscripts for military service are unable to read and write the Turkish Ministry of National Defense and the U.S. military mission found themselves seriously handicapped in their efforts to develop modern military units. A project for literacy training in the armed forces was launched in the spring of 1959 under the joint effort of the Turkish Ministries of Education and Defense, the U.S. military mission and the ICA technicians were furnished from the USOM Education Staff and the Georgetown University contract team temporary housing by the U.S. military mission. Every 2 months 11,000 recruits enter the literacy training programs. Four such groups have completed the 2-month course. Materials have been developed and produced for use in literacy education. Results to date indicate that a high percentage of recruits emerge with an effective degree of reading and writing ability; some of these are being given advanced training in preparation for promotion to officer status. Many are selected to continue literacy education in their communities upon their discharge from the Army. Followup reading materials are now being prepared for use by the newly literate.

Jordan: Jordan, which had no organized teacher education program prior to ICA assistance in 1952, now has preservice training facilities for about 500 and has increased its in-service training and summer school programs for teachers from approximately 200 to 2,500 annually. This growth has been due primarily to the efforts of ICA and the Jordanians who have put into practice that which they have learned, under the auspices of ICA.

Afghanistan: Afghanistan is one of the border countries of the free world. While Soviet bloc economic assistance activity is present in Afghanistan, the U.S. program is the only bilateral effort which is presently permitted in the field of education which is of paramount importance in the battle for men's minds. It already affects (a) higher education through assistance which is being given to the college of agriculture and engineering, to the university administration, and to the affiliated institute of education—and through the quick acceptance of many of the recommendations made late in 1959 by the University of Illinois team which carried out a comprehensive survey of Kabul University; (b) teacher education through the Institute of Education and in-service teacher training courses; (c) a large segment of elementary and secondary education; (d) vocational industrial education through the Afghan Institute of Technology; (e) vocational agriculture, through the vocational agriculture school developed under the program; and (f) a major project in the teaching of English as the "second language" of Afghanistan. Plans for an even more intensive program of action in education are presently under discussion with Afghan authorities.

India: India's effort to develop her economy to meet the needs of a rapidly expanding population of some 415 million, requires a major effort to expand agricultural and industrial production, public works, transportation, irrigation, conservation and reclamation facilities. To make possible increases in industrial output there must be a sharp increase in the supply of engineers, an improvement in their quality, and at the same time an adequate corps of technicians must be trained to back up the work of the engineers.

Much has already been accomplished through the ICA technical cooperation program. During an initial phase from fiscal year 1953 through fiscal year 1958 assistance was provided, through contracts with American universities, for developing and strengthening 11 existing engineering educational institutions. During that phase, which ended in fiscal year 1958, 45 U.S. engineering professors served a total of 67 man-years in India, and 60 Indian engineers were trained in the United States, primarily for staffing the engineering colleges.

A second and more intensive phase is now underway. In this program, technical cooperation is concentrated on developing a new program of graduate study and engineer teacher training in five leading engineering institutions. New contracts for this purpose, replacing old contract activities, were signed during fiscal year 1960 with the Universities of Wisconsin and Illinois, and a third university contract is scheduled to come into effect late this fiscal year. In another project, 170 Indian engineering educators have been brought to the United States with approximately 200 more to come by the end of fiscal year 1961. New plants (or enlargement of present plants) are being constructed for these five institutions and their curriculums are being revised. Thus, an impressive start has been made on measures to meet the present engineering teacher shortage which has been estimated at 1,500 teachers. Plans for the development of a major Institute of Technology at Kanpur are progressing rapidly, in addition to the projects mentioned above.

Meanwhile, the supply of technicians will have to come from schools providing vocational training. India has decided upon a far-reaching development of the "multipurpose higher secondary school," which can provide not only candidates for university training, but some training in vocational areas as well. The vocational phase of the existing multipurpose high schools, however, needs to be more adequately developed. A technical cooperation project is now concerned with providing assistance in this respect. Twenty-six multipurpose higher secondary schools, covering all of the states of India, have been selected as demonstration schools. Curriculums have been worked out and accepted; an Ohio State University contract team has participated in some 92 workshops, seminars, and conferences—many of which were directed especially toward vocational education; plans have been drawn for four regional vocational teacher-training colleges; and a program for participant training in the United States, beginning in this fiscal year, has been adopted, involving

key Indian personnel for the multipurpose higher secondary scheme.

FAR EAST

Vietnam: The development of Vietnam, especially its human and economic resources, is dependent in a large measure on the educational opportunities provided for its people. Since 1952, assistance has been given in providing adequate leadership and facilities for the training of teachers, professors, and administrators in academic, professional, and vocational fields. A total of 172 participants have been sent abroad for study in the fields of elementary and secondary education; teacher training (normal school, college, and university); leadership training; and technical vocational education. Approximately 34 inservice training workshops have been conducted with over 3,000 people in attendance. Between 1956 and 1958, 900 students completed beginning courses in the English language.

While there has been a severe shortage of trained and skilled personnel which accounts in part for a low and undiversified agricultural and industrial production the basic problem has been an acute shortage of schools and equipment. They are woefully inadequate at every level. It is estimated that there are from 750,000 to 1 million children of elementary school age not in school primarily because of a lack of facilities. As a means of attacking the problem, assistance has been given with the construction of badly needed buildings and classrooms. From 1952 to 1959, 2,156 elementary school classrooms and 192 secondary school classrooms have been constructed with U.S. assistance. Working drawings for 38 new science laboratories have been made and 16 of these facilities have been completed and equipped.

A new national normal school with a capacity of 1,000 students has been erected, and partially equipped, in Saigon, and another new normal school with a capacity for 50 students in a rural area. A new faculty of letters building with a capacity of 1,200 students has been erected and partially equipped. Plans have been made for the construction of (1) a new elementary demonstration school for the national normal school, (2) two new rural normal schools and (3) a new faculty for pedagogy building with a secondary demonstration school. Facilities for the new Phu Tho Vocational School have been completed except for the installation of heavy-duty electric wiring in the school shops. The preparation of architectural plans and arranging for construction bids is well underway for the Hue Technical School and Nha Trang Apprentice School.

Without the necessary instructional materials teaching and learning are severely handicapped. To meet the urgent need for textbooks USOM assisted with the printing of approximately 1 million copies of such basic texts as arithmetic, physics, civics, history, etc., of which 80 percent have been already distributed to the schools.

Korea: Through higher education the economic development of a country may be greatly accelerated. In Korea, Seoul National University has been given assistance with 4 of its 12 colleges. Eighty-three of the 122 Seoul National University staff members who were sent to the United States for training have been returned to the university and are actively engaged in using improved teaching and research methods, development of curricula, and general administrative leadership.

Cambodia: The reduction of illiteracy through education is a major concern to many countries in the Far East, including Cambodia. To meet, in part, the pressing emergency of providing some training for new teachers, who are greatly in demand, a series of summer schools has been offered. To date, approximately 6,000 teachers (fresh graduates from the sixth grade) have received their only training in these courses. As a means of providing more adequately prepared teachers, a national elementary teacher training center for approximately 500 students was built and equipped.

Thailand: The effort to improve education in Thailand has been an outstanding example of cooperation between United States and Thailand. Achievements to date include the training of 11,000 teachers in regional centers, 12 countrywide conferences with 1,800 educators participating and 60 workshops and seminars. Approximately 20,000 teachers received inservice training. A large number of these teachers had only a seventh grade education.

Regional projects: A regional approach to the technical assistance in education was introduced first in the Far East. Two projects are currently underway: (1) The southeast Asia regional English project and (2) the SEATO Graduate School of Engineering.

The regional English project aims to increase the numbers and standards of English-speaking persons in Laos, Thailand, and Vietnam. There are four phases in this project: (1) Analysis of the local language of each country, (2) preparation of teaching materials for teacher training, (3) establishing an improved training program, for teachers of English as a second language, and (4) training secondary schoolteachers in at least one major institution in each country.

Progress to date shows that No. 1 above has been completed and in step No. 2 the completed drafts of texts and manuals for teacher training in the three countries have been made and drafts started for the lower level of secondary schools in Thailand. Phase 3, the training of teachers to teach English as a second language, indicates the following accomplishments: (1) Curricula for teacher training programs completed; (2) 70 teachers of English trained in the regular course of instruction; (3) in-service training seminars held for 160 teachers in the rural areas; (4) instruction of 25 students in English at the Faculty of Letters in Saigon; and (5) four teachers have been sent to the University of Michigan for 2 years of advanced training.

The SEATO Graduate School of Engineering, with a teaching staff and student body supplied by SEATO member countries, is the first school of its type in southeast Asia. The aim of the project is to meet the rapidly developing need for well-qualified engineers, especially in the fields of water resources, highways, sanitation, and hydraulic and structural engineering. This is an international graduate school of engineering which has been planned, established, and is now in operation. Basic classroom laboratories and administrative facilities have been constructed or remodeled and the furnishing of equipment has been largely completed.

(Mr. DOWDY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. DOWDY. Mr. Chairman, as in former years, I am opposed to this foreign aid bill, and more so with the swollen amounts herein authorized.

I can neither justify nor rationalize giving away our resources, and putting this greater burden on American taxpayers, who are already suffering under an overwhelming tax burden. Furthermore, our national debt is so huge that only wastrels would think of making gifts of money that we do not have.

I fail to see how anyone could vote for these gifts to Communist alien dictators, and actual as well as potential enemies, when there are so many needs and needy people here in our own country. These huge sums of money would better serve us and our economy if kept here in America. I hope the majority will join me in bringing this fantastic scheme to an end.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have voted for this legislation in past years. I am going to vote for it today—and with no apology to anyone. I voted for it because I consider it to be in the national interest of my country. A little over 20 years ago there was a man by the name of Hitler in this world. There were Members then who said that Hitler was a man of peace. I can remember 3 months before Pearl Harbor, on a bill to extend the selective service act for 1 year, that bill passed this House by only one vote—by a vote of 203 to 202. Those of us who voted for the bill were called warmongers. Where would our country have been after Pearl Harbor—where would our country be today if those of us who voted for the bill which was passed by only one vote, had not done so.

Mr. Chairman, it is one thing to discuss the policy and theory of a program and it is another thing to criticize certain actions or to talk about instances of corruption in a program. I do not believe that I am justified in "cutting off my nose to spite my face." A little over 20 years ago, we saw Hitler take over the Ruhr. He was allowed to get away with it, hoping that he would be satisfied and stop. But, he was not satisfied and he did not stop. Then he went into Sudetenland. He was allowed to get away with that—again in the hope that he would be satisfied. But, of course, he was not. He then went on and took over Austria. They let him get away with that, hoping that he would be satisfied, but he was not. He went in and took over Czechoslovakia, and they let him get away with that, hoping that he would be satisfied, but he was not. Then came the pact of Munich. Chamberlain went back to England with his umbrella, parading as an apostle of peace. Then came the ravage of Poland and World War II.

What does it mean? You have lived it. I have lived it. Have we forgotten it? It means that uncertainty and weakness and lack of firmness is the road to war. We find symptoms around the world today of the same kind. If anyone here thinks Khrushchev is a good boy because of his wooing conversations, they had better wake up quickly from their dream world.

We pick up the paper this morning and find where the Soviet Union spurns the United States' plea on disarmament. You heard Khrushchev several weeks ago talk about the ability of the Soviet to destroy the world with their nuclear power. The intent of world communism has not changed, to revolutionize and dominate the world. The techniques only have changed. There is no change in what they intend to do. If anyone thinks there is a change, they are living in a dream world today.

Now, this legislation—I am talking about a program—certainly it stopped Greece from becoming communistic. It has stopped other nations from going

communistic. Europe would have been communistic 12 years ago if we had not done what we did. We did it in our own national interest. It certainly would not be for the interest of the United States to have the world dominated by communism. Oh, my friends speak against this bill. Their motives are just as good as mine, but their judgment on the selective service bill was not as good as mine. I judge no man, but I have a judgment. This legislation is a part of our national defense. It is in the national interest of our country. Oh, they come down here and talk about some students. Then they create opposition against the whole program. What will happen if we do nothing? What would have happened 10 or 12 years ago if we had done nothing? Italy would have been communistic. France would have been communistic. Greece would have been communistic. It would have been a communistic-controlled world against America. So I am for this program in no apologetic way.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, before the confusion spreads, let me contribute a bit of light to the subject of a proposed educational program for tropical Africa, which was mentioned by my good friend from Louisiana [Mr. PASSMAN] and my other beloved friend, the gentleman from West Virginia [Mr. BAILEY].

The special program for Africa is included in the special assistance authorization, and our committee has been assured that $20 million will be allotted to this program. In my opinion, it will prove one of the wisest investments we have ever made. The Secretary of State says that in the foreseeable future Africa may have as many as 30 or 40 seats in the United Nations. The wealth of Africa is tremendous. Its future is a challenge to imagination. If we lose Africa, the understanding friendship of her new governments, the hearts and minds of her people, we have lost the world.

The special program for tropical Africa is patterned to the need immediately for trained civil servants by the new nations emerging almost overnight. As the new nations are coming into being, there is need for trained civil servants. It is a situation comparable to our own when war came to us and we had to have officers but could not wait 4 years for their graduation from West Point and Annapolis. We established 90-day officer-training camps.

From this program now under consideration of 90-day training courses for African civil servants will come men and women reasonably prepared to operate the governmental machinery in these emerging African nations. Is there anything foolish about that? Help, too, will be given to existing colleges in tropical Africa and aid in the opening of new schools. Is there anything foolish about that?

I would not wish any confusion incident to a debate on the touchy subject of foreign aid to becloud the soundness of the special African program. We rejoice that lands long under colonialism are attaining the dignity of independence and the best help we can extend in doing our share in preparing them for the large responsibilities of self-government is in the field of education.

We have almost missed the boat in tropical Africa. We have been so absorbed in the Far East that we almost forgot there was a continent of Africa. Now we are trying to do something, something sound and constructive which will reach into hearts and minds and create lasting friendship, and I do not like to see any of my colleagues come into this well and give the impression that this is a case of spending the good money of the American taxpayers for foolish purposes.

Mr. Chairman, I yield back the remainder of my time.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the question is not whether we should set a new policy for the United States but whether we should carry out the bipartisan foreign policy of the United States instituted by President Truman and carried on by President Eisenhower. This is not the time or place to decide this overall foreign policy; this is the place to decide method of implementing a settled policy that has been tested through the past years.

We must look at the larger picture of our U.S. security, not just at the relatively few failures there have been considering the total size of the program. I would like to quote to you the remarks that were made before our House Foreign Affairs Committee by Thomas Gates, our competent and able U.S. Secretary of Defense, when he appeared before the Foreign Affairs Committee on February 23, 1960.

My last point—

Mr. Gates said—

concerns the return we receive on our investment.

I know of no program which rewards us better. In terms of actual military strength, the results are impressive. In 1947 every nation had to go it alone for want of strong leadership which only the United States could give and therefore the entire free world was no stronger than the weakest link.

Today we and our allies are in a far better posture. The armies receiving military assistance have increased from 3½ to 5 million men—

Adding my own comment, that 5 million men added to our own competent U.S. forces of approximately 2½ million men gives us 7½ million men in the free world to defend us. Reading further—

allied navies have increased from 1,000 to 2,200 combat ships; allied air forces have increased from about 17,000 to over 25,000 aircraft, about half of which are jet. All allied forces are better trained, better equipped, and better able to perform their assigned missions in the framework of our total strategy. Their self-confidence is strong. Their determination to resist has become steadily firmer. They know that the United States stands with them and, accordingly, when the going gets tough—as it can be made tough by the Communists even in time of peace—they do not falter or fall back.

Of course, it may be said that the program this year is largely carryover of the military authorization, but it is part of our whole U.S. mutual assistance program. We must give various countries defense support so that they can maintain these armies and maintain this defense posture with us. We American people must remember we are now not fighting a hot war, and that the United States is relatively prosperous in an uncertain world.

Our American people cannot sit with bulging warehouses and unused and growing surpluses and expect the other people of the world to love us, like us, and help us defend ourselves. We as a nation have to be part of the world with its mutual problems of progress and defense, and one of our free-world responsibilities is the continuation of this program. We must assume our responsibilities to our friends and allies regardless of party.

Do not listen today to voices that might sound as if there is a large disagreement among the American people on the worth of this program and I direct that remark to the new Members. There is not. This program passes this House by almost a two-thirds majority practically every Congress. This present bill to continue the mutual security program will go through by a very large majority in this Congress.

Mr. GEORGE P. MILLER. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to my friend, the gentleman from California.

Mr. GEORGE P. MILLER. The gentleman said they would not love us, or trade with us. Is there not the great danger that they may become covetous and there is danger actually from that standpoint?

Mr. FULTON. Yes; that is a very good philosophic and religious comment. There is no doubt we will be one of the most hated groups in the world if we do not accept our world responsibility for mutual security and progress.

Let me show you what would happen. Shall we pull our troops back of the 38th parallel in Korea, and let the whole country cave in by withdrawing the support for South Korean forces jointy holding the line with us? Shall we pull our support from Formosa and let Red China endanger and breach our U.S. Western defenses based on the island chain in the western Pacific? Shall we withdraw our support of Greece and Turkey and Pakistan, and let the Middle East fail and head for its destruction? Should we withdraw our support of Israel in her good progress, even under great difficulties, when she is unjustly barred from use of the Suez Canal? Shall the U.S. people barricade everyone in his own house and in his own city and try to defend against all comers? Or shall we in the United States be good citizens of the world and take just a little less than 1 percent of our gross national product in 1 year to help our neighbors and be a good Samaritan to help these fine people do the job necessary to be done for their security and progress?

As to spending certain amounts in responsible universities to train responsible

and capable personnel, the answer is: We want and need people educated in this program. We do not want the program administered at the top by people who do not understand it. Of course not. We want competent people who have the know-how to do it.

When our people in the executive department choose and use Boston College as well as Johns Hopkins University, two excellent and responsible institutions for training purposes for top personnel to improve the management of this worldwide program, there can be no insinuation about the value we will receive from either of those high-standing institutions. We will receive full value and more.

Mr. FLOOD. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, every year since this foreign aid bill authorization and appropriation have been before this House, I have voted for them. I shall vote for this bill and for the one that will come from my Committee on Appropriations.

In the days when even my friends on my own side of the aisle saw fit not to support all of this program, I introduced the amendment to give the President his full request for foreign aid. So, Mr. Chairman, as much as any Member in this Chamber I have a right to say now what I shall say.

I am advised that the great Committee on Rules of this House today refused by a 6 to 6 vote to report out the distressed areas bill. With many Members on both side of the aisle, with our Republican friends, they have joined with me for several years, my friends on the left and the right, to make that bill law. So this is not partisan. Republicans get just as hungry and just as jobless as Democrats in 50 States.

I have in my hand this bill, chapter by chapter.

Economic assistance for the nations of the world, so many hundred million dollars.

Point 4 for the nations of the world, so many hundred million dollars.

Technical aid for the nations of the world, so many hundred million dollars.

The distressed areas bill is nothing more and nothing less than a point 4 bill for the hungry and the jobless in the States of the United States of America. Yet the Committee on Rules says, "Six to six, no rule," and we will be forced to resort to the difficult Calendar Wednesday tactic to give this House an opportunity to vote on this measure, but we will overwhelmingly support this request of the President for foreign aid. And, I will support it. Now, you bleeding hearts, who all day yesterday and today proclaimed to high heaven and to this membership, Mr. Chairman, and asked to help the distressed areas of the world, I come to you in these 5 minutes, and every one of you who votes for this bill—you are the ones to whom I speak—every one of you who votes for this bill and does not appeal to the Committee on Rules to send the point 4 program for America here, I say, listen: We need one vote. We need one vote in the Committee on Rules. Six Democrats voted for that rule and no Republicans voted for it. Two Democrats did not vote for it. Four and two are six: six to six. Now, give me one vote. My friends, in 30 States we have 5 million unemployed, and if you do not know what a depressed area is, God forbid you ever find out. If you do not know, I hope you never will. So, on this day, Mr. Chairman, when you are going to help the underprivileged of the world and the distressed areas of the world, and when you and I vote for a point 4 program for the nations of the world, in God's name let us vote at least $200 million out of this $2 billion for a point 4 program for your brothers and sisters at home. I will vote for this.

The clerk read as follows:

STATEMENT OF POLICY

SEC. 2. Section 2 of the Mutual Security Act of 1954, as amended, which is a statement of policy, is further amended by adding at the end thereof the following:

"(f) It is the sense of the Congress that inasmuch as—

"(1) the United States favors freedom of navigation in international waterways and economic cooperation between nations; and

"(2) the purposes of this Act are negated and the peace of the world is endangered when nations which receive assistance under this Act wage economic warfare against other nations assisted under this Act, including such procedures as boycotts, blockades, and the restriction of the use of international waterways;

assistance under this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be administered to give effect to these principles, and, in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this Act or arising under the Agricultural Trade Development and Assistance Act of 1954, as amended, these principles shall be applied, as the President may determine, and he shall report on measures taken by the administration to insure their application."

(Mr. McCORMACK asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. McCORMACK. Mr. Chairman, the United States has consistently supported the principle of freedom of transit through the Suez Canal, which is an international waterway. I am happy to see that the Foreign Affairs Committee has recommended an amendment to section 2 of the Mutual Security Act which gives renewed emphasis to our position on this important matter. Certainly we do not intend that the United States should ever threaten to cut off mutual security aid because a country fails to support our position on a particular issue. This would not only bring charges of imperialism, but more important it would be alien to the whole spirit of mutual cooperation for peace and progress which underlies the aid program.

The continuing Egyptian action of preventing the passage of Israeli ships through the canal and of generally blockading Israel is contrary to the spirit of international law and endangers the peace in that tense area. We must use every proper avenue of persuasion to open the Suez Canal to the use of all nations. This amendment directs the President to give recognition to these principles in administering both the Mutual Security Act and Public Law 480 in whatever ways he determines best. I hope that Congress will adopt this amendment as an expression of our continued support for the principle of freedom of navigation in international waters and for economic cooperation among the nations of the free world.

The Clerk read as follows:

CHAPTER I—MILITARY ASSISTANCE

Military assistance

SEC. 101. Section 105(b)(4) of the Mutual Security Act of 1954, as amended, which relates to conditions applicable to military assistance, is amended by striking out "1960" and inserting "1961" and striking out "1959" and inserting "1960".

Mr. BENTLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENTLEY: On page 2, immediately above line 20, insert the following:

"ANNUAL AUTHORIZATION FOR MILITARY ASSISTANCE

"SEC. 101. Section 103(a) of the Mutual Security Act of 1954, as amended, which relates to authorizations of appropriations for military assistance, is amended by striking out 'There is hereby authorized to be appropriated to the President for the fiscal years 1961 and 1962" and inserting in lieu thereof the following: 'There is hereby authorized to be appropriated to the President for the fiscal year 1961'."

And reletter the following section accordingly.

(Mr. BENTLEY asked and was given permission to revise and extend his remarks.)

Mr. BENTLEY. Mr. Chairman, last year when the House approved the mutual security legislation for 1959 the authorization for military assistance was retained on an annual basis. However, in conference with Members of the other body, the House conferees accepted a change in the language which in effect gave an open-end authorization for 3 years for military assistance. I would like to read to the members of the committee at this time the authorization language as it now stands in the legislation:

There is hereby authorized to be appropriated to the President for the fiscal years 1961 and 1962 such sums as may be necessary from time to time to carry out the purposes of this chapter, which sums shall remain available until expended.

In other words, Mr. Chairman, what we did in adopting the conference report last year was to give the Executive a blanket authorization for whatever sums might be appropriated for fiscal years 1961 and 1962. That is one of the main reasons why today we are dealing with an authorization bill of only $1,318,400,000 while in the reasonably near future we will be considering an appropriation request of over $4 billion subject, of course, to the action of the Committee on Appropriations.

My amendment, if adopted, would not reduce the program by a single dollar but would terminate this open-end authorization for military assistance at the end of fiscal year 1961, and would require the executive branch to come up before our committee next year and offer a new request for a new authorization for mili-

tary assistance, instead of being able to carry on with no authorization required, as they are at the present time. As I have said, that is one of the reasons that the authorization bill is so much less than the contemplated appropriation request this year.

The same thing was done with respect to the Development Loan Fund, but I understand that the authorization for the Development Loan Fund will expire at the end of fiscal year 1961.

I do feel very strongly, Mr. Chairman, that this program, whether one supports it or opposes it, should be subject to continuous review and continuous scrutiny by the appropriate committees of the House to the extent that although we do have hearings on the military assistance portion of this program there is no need for us and no need for the administration to ask us to authorize a single penny for military assistance. That is because of the language adopted in the conference report last year. This open end authorization which the House, when the bill was initially passed last year, did not adopt, was adopted subsequently in conference. That open end authorization should be terminated and we should insist that starting next year, when we have the fiscal year 1962 bill before us, we should have the administration go back to the customary practice of requesting annual authorizations..

It is my understanding that one of the reasons that the conference report was accepted on that basis was the belief that the military assistance appropriation would this year be contained in the appropriation bill for the Department of Defense. Because of the action of the House Appropriations Committee that was not the case. So I say that if there was any justification last year for giving this open end authorization, such justification no longer exists, thanks to the action of the House Appropriations Committee.

I respectfully submit that this authorization should be terminated with fiscal 1961, and we should get back to the practice of annual authorizations for fiscal 1962. I think the Members of the House would agree with me that that is the way: to have an annual review both for authorization and appropriation purposes of a sum as large as $2 billion, which, of course, is the administration's appropriation request for military assistance in this current year.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, yesterday during my remarks on the bill I had something to say about this very amendment. I should like to read it again:

> This new procedure did not originate in the Foreign Affairs Committee or in the House. The mutual security bill passed by the Senate last year abandoned the practice of annual authorizations for military assistance and provided a continuing authorization of appropriations for this purpose. In conference a compromise was reached which included a specific authorization for fiscal 1960 and such sums as may be necessary for 1961 and 1962. This compromise was accepted by the House and is now contained in the law.

Mr. BENTLEY. If the gentleman will yield, it removes the 1962 date.

Mr. MORGAN. That is correct.

> I still have an open mind as to whether this action of last year is a good idea. One reason for doing as we did was that the Executive wanted to include the military assistance appropriation in the regular military appropriation bill. They said that waiting for an annual authorization would make this impossible.
>
> Our Appropriations Committee has decided not to follow the Executive recommendation in this respect, and the military assistance appropriation is being handled as part of the mutual security appropriation. I personally favor the way in which the Appropriations Committee is proceeding, although I accepted last year's compromise in good faith and would prefer not to make any change in the authorization procedure during the present Congress.

The gentleman from Michigan next year will have left this great legislative body for greener pastures. He has been an outstanding member of the Committee on Foreign Affairs. I value his work on the committee. He has worked very hard on this bill and has been one of the outstanding leaders in helping to eliminate waste and inefficiency in the program.

The gentleman knows that due to his prodding next year we will consider undertaking a comprehensive review of the entire Mutual Security Act. We are here today dealing with the basic Act of 1954. Due to the prodding of the gentleman from Michigan, which he followed up by an amendment offered in committee during the markup of the bill requiring that the entire act be rewritten. We are fully aware that few of us are well acquainted any more with all the provisions of the act. I can assure the gentleman that if I am back in Congress next year I will do whatever is appropriate in undertaking a revision of the 1954 act. I think it is time for it to be reexamined. I oppose the amendment simply on the ground that next year during the rewriting of the bill I am sure the authorization he seeks to eliminate today will be fully considered and taken care of. Therefore, I oppose the amendment.

Mr. JUDD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to make sure it is understood that the fact that in these 2 fiscal years no ceiling on military assistance is established in the MSA authorization bill does not mean that the Committee on Foreign Affairs and the House of Representatives thereby lose control over this $2 billion program. No ceiling is legislated annually on appropriations for our own Armed Forces, and that is a $40-billion-a-year program. The Committee on Armed Services does not bring before the House every year an authorization bill saying that the Committee on Appropriations is authorized to appropriate for our Defense Department not to exceed X billions of dollars. Each year the Committee on Appropriations determines what it believes to be the proper amount and brings it to the House for action. The waiver on military assistance authorizations adopted last year on the initiative of the other body was to try out for 2 years the same mechanism that we have consistently followed without any difficulty in providing for our own armed services. If you look through the hearings, you will find that our Committee on Foreign Affairs had extensive discussions this year on the military assistance program. You will find the record of detailed testimony by Secretary of Defense Gates and his staff. It begins on page 69. There was a long session with Admiral Felt who is in command of all our forces in the Pacific, beginning on page 535; and one with General Norstadt and his associates dealing with all aspects of our military assistance programs and the armed forces of our allies in the NATO or European-Mediterranean theater. It begins on page 673. Our committee and the House of Representatives can at any time take action, either in this bill or in a separate bill, to modify the military assistance policies and programs or to put any limitation we wish on the amount of money that can be appropriated for that purpose. In no sense do we lose control of the military assistance program by having this waiver in the bill.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I gladly yield to my colleague from Michigan.

Mr. BENTLEY. I believe the gentleman was one of the conferees last year. Was it not the thinking of the conferees that the reason, or at least one of the reasons for adopting this version initiated by the other body, was that the military assistance appropriation was going to be treated as part of the Defense Department appropriations?

Mr. JUDD. Yes; that was one reason. Another reason was the desire to make possible more long-range planning with regard to the foreign components of our national defense, as we do now for the domestic aspects of that defense.

Mr. BENTLEY. How possible is this long-range planning in the field of military assistance as long as the program is subject, and rightly so, to the annual scrutiny and review of the Committee on Appropriations?

Mr. JUDD. It is also subject to the annual scrutiny and review of the Committee on Foreign Affairs, the same as our own Armed Forces are subject to the annual scrutiny and review of the Committee on Armed Services and subject to the annual scrutiny and review of the subcommittee of the Committee on Appropriations, which deals with our Armed Forces.

The other body wanted to make this waiver of annual authorizations a permanent arrangement. In the conference we compromised on 2 years. That is enough to give us a fair trial. In 1962, automatically, this matter will come back to the House Committee on Foreign Affairs and to the House of Representatives when it considers this legislation, to decide whether to extend the waiver for a further period or allow reversion to the previous practice of annual authorizations.

It seems only reasonable and fair for the House to go along for the additional year with the compromise that was reached last year. Then of necessity we will have to act and will have had fur-

ther experience on which to base our decision.

Mr. BENTLEY. Mr. Chairman, if the gentleman will yield further, if the present language is retained in the bill, no authorization will be required for the fiscal year 1962.

Mr. JUDD. No authorization will be required.

Mr. BENTLEY. In other words, no new authorization will be required until the year 1962. That is the calendar year.

Mr. JUDD. Yes, the calendar year 1962. This year's mutual security bill and next year's bill will not require authorizing action by this committee or the Congress. But this committee can take action to limit appropriations, if at any time it thinks there is something that requires such action. So, Mr. Chairman, I think the amendment should be defeated.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. BENTLEY].

The amendment was rejected.

Mr. MEYER. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MEYER: On page 2, insert between lines 20 and 21 the following:

"SEC. 101. Section 102 of the Mutual Security Act of 1954, as amended, which relates to military assistance, is amended by adding the following new paragraph: 'No part of any appropriation authorized by this Act shall be used to carry out any agreement for cooperation heretofore or hereafter entered into which is required to be submitted to the Joint Committee on Atomic Energy under section 123(d) of the Atomic Energy Act of 1954, as amended.'"

Renumber section 101 on page 2 as section 102.

(Mr. MEYER asked and was given permission to revise and extend his remarks.)

Mr. MEYER. Mr. Chairman, the purpose of this amendment is to provide that funds authorized under the Mutual Security Act shall not be used to carry out any agreement for cooperation which is required to be submitted to the Joint Committee on Atomic Energy.

Basically, it is the same amendment as that offered by Congressman BENNETT last year to the Mutual Security Appropriation Act of 1959. The difference is that we have additional information, secured after a great deal of effort, which says that we are actually using some of the military funds under the Mutual Security Act for the implementation of these agreements. Last year we did not have this information, and I will try to bring the story up to date.

For instance, last year when I asked whether any Joint Atomic Energy Commission funds would be used for such a purpose, Chairman CANNON replied:

There is no direct appropriation in the bill for that purpose.

This is recorded in the CONGRESSIONAL RECORD for July 21, 1959.

I asked Chairman MORGAN of the Foreign Affairs Committee whether mutual security funds would be used for this purpose, when he discussed the Conference Committee Report. He said, "I do not think that is involved unless it is involved in military money for the NATO organization. This is recorded in the CONGRESSIONAL RECORD for July 22, 1959.

When Congressman BENNETT of Florida offered an amendment to the Mutual Security Appropriation Act to prevent the use of funds for this purpose, subcommittee Chairman PASSMAN said:

I can assure the gentleman there are no funds for the purpose against which he places a limitation.

This appears in the CONGRESSIONAL RECORD dated July 28, 1959.

All those gentlemen were reporting to the best of their knowledge. Therefore the House at that time did not know as much as we now know. Some of the funds actually are being and have been used for that purpose.

What is the reason why I object to such use of these funds? To begin with, my amendment would not stop the sharing of nuclear materials and nuclear know-how authorized under the Atomic Energy Act, but it would prevent the use of mutual security funds for such a purpose.

We also know that the spreading of nuclear knowledge and know-how does not necessarily add to mutual security, but may easily create a situation of mutual insecurity, because of the nature of the nuclear weapon system, if distributed to additional countries.

Furthermore, the major delivery of nuclear warheads will be by missiles and jet planes which can be increasingly maintained on our home bases rather than in the hands of our allies or friendly powers which at certain times may be friendly but at other times may not be so friendly. I say that it is risky to give this weapon assistance to other countries.

Furthermore, there is a growing uneasiness among our people as to the actual wisdom of our allowing nuclear-sharing agreements to be negotiated, especially without direct congressional debate and approval of the agreements. I say that the vote on the Bennett amendment to the Mutual Security Appropriation Act last year, when 61 stood against it, as compared with 137 for it, is proof in favor of my argument.

The CHAIRMAN. The time of the gentleman from Vermont [Mr. MEYER] has expired.

Mr. MEYER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Vermont?

Mr. DORN of New York. Mr. Chairman, I object.

Mr. MEYER. I would ask the gentleman to consider withdrawing his objection. I seek no special favors, but I do want to explain the issue as thoroughly as I can.

Mr. DORN of New York. Mr. Chairman, I withdraw my objection.

The CHAIRMAN. Without objection the gentleman from Vermont is recognized for 5 additional minutes.

There was no objection.

Mr. MEYER. Mr. Chairman, earlier reports this year of administration plans to share the nuclear warheads themselves caused a good bit of confusion and a storm of protest. I direct your attention to the CONGRESSIONAL RECORD of February 17, when I spoke on the subject, and to February 9, when the gentleman from California [Mr. HOLIFIELD] spoke on a similar subject.

This amendment that I propose at this time would be concrete evidence that the sense of Congress is against extending the nuclear weapons club. This is a road to peace in the world, and will lead to a sense of security because nuclear weapons will be under the control of the United States. I do not believe that the spreading of this material to other countries will add in any way to our strength.

This amendment will present the Congress with a much-needed opportunity to openly debate the wisdom of and the extent of nuclear sharing to which the United States should be committed. This debate, to a partial extent, took place last year, but I believe that it is currently clearly in the public interest that we have more discussion of the subject.

It is possible to change my amendment, to modify it so that we would make it apply only against the actual transfer of the nuclear weapons warheads themselves. This would at least definitely prevent such a transfer which earlier was contemplated by the administration, and even suggested as possible without congressional authorization. However, the latest reports are that President Eisenhower, in a letter to Premier Khrushchev, said:

The United States has no present intention of sharing nuclear weapons with its allies.

I think an amendment of this type will reassure our own people and the rest of the world that we are going to try to prevent a nuclear war. I say in conclusion that this is not only a moral issue but it is also a practical issue, because there is no sense to having a nuclear war, because we cannot win it—no country can win it. The danger of spreading this weaponry to many countries is a risk we cannot afford to take.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont [Mr. MEYER].

The question was taken; and on a division (demanded by Mr. MEYER) there were—ayes 11, noes 46.

So the amendment was rejected.

The Clerk read as follows:

CHAPTER II—ECONOMIC ASSISTANCE

Defense support

SEC. 201. Title I of chapter II of the Mutual Security Act of 1954, as amended, which relates to defense support, is amended as follows:

(a) In section 131(b), which relates to general authority, strike out "1960" and "$751,000,000" and substitute "1961" and "$675,000,000", respectively.

(b) In section 141, which relates to conditions of eligibility for assistance, strike out "No such assistance" in the second sentence

and substitute "No defense support or military equipment and materials".

(c) In section 142(a), which relates to agreements, strike out "No assistance" in the introductory clause and substitute "No defense support or military equipment and materials".

Mr. ADAIR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ADAIR: On page 3, line 8, strike out "$675,000,000" and insert in lieu thereof "$625,000,000."

(Mr. ADAIR asked and was given permission to revise and extend his remarks.)

Mr. ADAIR. Mr. Chairman, my amendment is one which is easy to understand. It would reduce the Defense Support funds by $50 million. Those Members of the House who feel that we are authorizing too much money in this bill can take a step in the direction of correcting that by supporting this amendment. It would reduce the Defense Support funds authorization from $675 million to $625 million.

By way of comparison, it is interesting to recall last year's figures on Defense Support. Last year the executive request was for $835 million. The authorization as it came out of conference was for $751 million. The appropriation was $695 million. So, between the executive request and the final appropriation there was a reduction from $835 million to $695 million.

This year the executive request was for $724 million and the authorization as proposed by the committee is for $675 million, a reduction by the committee of $49 million.

My amendment would reduce that by an additional $50 million and would still leave available for Defense Support purposes $625 million. It ought to be called to the attention of the House that this would constitute a modest reduction in view of the fact that we have a very large amount of money available for economic purposes through the Development Loan Fund.

As I pointed out yesterday, one of the arguments used in support of the Development Loan Fund was that it would make necessary a smaller amount of grant aid money for economic purposes. In spite of the fact that there has already been appropriated $1.4 billion for the Development Loan Fund with a request for a further appropriation of $700 million, this year, making a total of $2.1 billion. I am asking for only a very modest reduction in this Defense Support authorization.

Therefore, Mr. Chairman, I urge that the committee adopt this amendment which I am sure will not harm the program but will, on the contrary, improve it. Closer scrutiny of expenditures would be required and this would make a better program for a smaller amount of money.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the committee has studied this section on defense support very carefully. I think we have cut the funds to a bare minimum. As the gentleman suggested, last year the authorization request was for $835 million. The committee cut it to $750 million. Finally the appropriation was $695 million. Now, this figure in the bill is $49 million less than requested this year, $20 million less than appropriated last year.

This defense support money goes to 12 countries; most of them are right up against the Soviet-Sino border. These are countries that are facing the Communists every day. They have overextended their military forces. They have larger armed forces than their economies can maintain. This is strictly economic aid we give them to support their economies so that they can support armed forces of 3 million men. This is money that is actually needed to keep forces right on the Communist line. I think a cut of $50 million would do serious damage to 12 of our best friends, and I oppose the amendment.

Mr. FARBSTEIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think we have got to understand what defense support is, first, before we can vote intelligently on this amendment. Aside from the question of numbers, aside from the question of the amount involved, defense support, although it is known and treated as economic aid, actually in effect is not economic aid, because the purpose of defense support is to buy uniforms for the soldiers, to house the soldiers of our allies, to feed the soldiers of our allies in order to make and present an effective fighting force against a common enemy.

Economic assistance, as it is generally known and referred to, is money that is appropriated for special assistance, money for particular projects in a country that we find is needy, like community water development, malaria eradication, medical research, improved education and vocational projects for technical assistance, where it must be given to countries so that they can be taught how to grow products, learn sanitation, operate machinery, and so forth, and various other forms of economic assistance. Defense support is an aid to the military. It is not economic assistance in the sense that we intend it or as is generally referred to, because what good is there giving a man a gun if he has not got a uniform, if he has not got an automobile in which he may be carried to the front, if he has not got some means whereby the fighting instruments can be effectively used?

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. FARBSTEIN. I yield to the gentleman from Indiana.

Mr. ADAIR. I am sure the gentleman is not implying that defense support funds go for military hardware or military uniforms.

Mr. FARBSTEIN. Defense support does not go for military hardware, that is true, but defense support is used for the purpose of maintaining and sustaining the soldiers for which we contribute money for military assistance.

Mr. ADAIR. Mr. Chairman, if the gentleman will yield further, is it not true that the maintenance and support of the soldier falls within expenditures from military assistance funds and that the defense support funds are used for the economic support of the recipient countries?

Mr. FARBSTEIN. Well, the line is very narrow, I will admit. However, when we talk of aiding the military, it is true that it goes to the country, but that country has got to support those soldiers that it puts on the line the protection of the free world, and unless assistance is given—if you want to call it economic assistance, call it that if you will—but nevertheless, without this additional money in the way of defense support these soldiers would have hardware and nothing else. And, as I said before, you cannot have a soldier without a uniform, without a truck to take him to the front and various other means for the soldier to become, as I said before, an effective fighting man.

Mr. ADAIR. Mr. Chairman, if the gentleman will yield further, as the report points out, there are two aspects of the defense support program. One is for specific economic purposes, and the other is for general financial support of the recipient nation. I am sure the gentleman is aware of that statement in the report and I think it ought to be made very clear to this committee that defense support funds do not have so direct a military application.

Mr. JUDD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we need to remember that while defense support is indeed economic assistance, it is economic assistance for a military purpose. There is more of our own national defense in this particular item than in anything else in the bill because this is the economic assistance that enables 12 exceedingly important countries to maintain the armed forces we believe to be necessary for their and our defense.

Our military planners first sit down with these countries that are strategically located and have the will to defend themselves to the extent of their abilities. Together we determine what they need and ought to have in the way of air force or army or navy. Having agreed with them upon the desired level of forces, we estimate how much they themselves can provide for the support of such forces. We furnish the difference, which is defense support.

None of the 12 important countries receiving defense support can yet provide out of their own resources the funds or supplies necessary to maintain the size and kind of armed forces we want them to have, for our defense as well as theirs. These 12 countries now have, because of defense support, 3 million well-trained soldiers for defense of the free world.

If Members of the Committee will look at page 20 of the report, they will see what it costs to provide just the pay, allowance, subsistence and clothing of one American soldier. It is $3,359 per year. At the other end of the scale is shown the cost of the same items for a soldier on Formosa. It is $167 a year. It makes graphically clear how beneficial and essential defense support is for our national defense. It has already

been cut as deeply as prudence will permit.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman.

Mr. ADAIR. If I may quote from the committee report at the bottom of page 22, in answering this question about the military users of this money, I will read the following:

> Support is extended in two ways: One is by projects in major areas of the economy such as agriculture, forestry, and fisheries; industry and mining; transportation, health, and sanitation; education; public administration; and community development, social welfare, and housing.

I find it difficult to discover a direct connection between that statement and the military aspect which is now being urged upon the committee.

Mr. JUDD. Let us take the case of Turkey as an illustration. Turkey is a country whose location and whose superb armed forces make it vital to the whole Middle East. The Turks were disciplining themselves to the utmost to maintain their armed forces. Unrest began to develop among the common people of Turkey because they could not make any headway or see any hope for improving their living standards. Obviously you cannot maintain good morale in a soldier at the front, no matter how many weapons he has, if he knows that the standards of living of his people at home are going down instead of rising. Furthermore loss of confidence in his government develops. So more defense support had to be provided. Some is for specific projects, such as my friend from Indiana has read, and some of the aid is for nonproject support of the economy. Otherwise the country simply could not maintain the armed forces that we, ourselves, want them to have in our own national defense.

Mr. PILCHER. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. PILCHER. Is it not true that when we allocate so many dollars for defense support for X country, they can spend that money for almost anything they want to; they can build roads with that money?

Mr. JUDD. Projects must each be agreed upon individually, but nonproject assistance can go to support the country's budget; that is correct.

Mr. PILCHER. There is not much difference between defense support and economic aid. They can spend it any way they want to.

Mr. JUDD. Each project is negotiated bilaterally between the United States and the recipient country in terms of need, method and cost, so there is not such latitude here as the gentleman suggests.

Mr. Chairman, this item has already been cut $160 million below the request of last year. When we consider that by this type of assistance we are getting 3 million soldiers strategically located, and that our own greatest military shortage is in manpower for conventional forces, I believe that we will not want to take the risk involved in further reducing these funds.

Mr. KOWALSKI. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. KOWALSKI. Would any of these funds be used to support the Korean police force which has been so tragically effective in repressing the people who are demonstrating for their freedom, for their right to vote in a free election?

Mr. JUDD. Some of these funds could be and probably are used to support the budget of the Republic of Korea; and some of that budget goes for support of its armed forces and police forces, just as some of it goes for education and for health and for highways and for agriculture. The recent events in Korea cannot be condoned. It is pretty hard to get full democracy in a country divided, still at war, and under constant threat. That is a painful fact. But an equally important fact is that without the 19 first-rate Korean divisions which defense support makes possible, with many of them guarding the demilitarized zone as they are today, we would have to send and support in Korea a good many more than the 2 American divisions we have there.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. ADAIR].

The amendment was rejected.

Mr. HARDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. HARDY: On page 3, immediately below line 5, insert the following:
>
> "(a) In the first sentence of section 131(a), which relates to the authority of the President to furnish defense support, insert, immediately before the period at the end thereof the following proviso: ': *Provided,* That all documents, papers, communications, audits, reviews, findings, recommendations, reports, and other material which relate to operations or activities under this title are furnished to the General Accounting Office and to any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation, appropriations, or expenditures under this title, upon request of the General Accounting Office or such committee or subcommittee as the case may be'."
>
> And reletter the following subsections accordingly.

Mr. HARDY. Mr. Chairman, the language of this amendment is similar to other language in the bill, but it is placed in a little different spot. My purpose is to make it unmistakably clear that the President has no authority to conduct any operations under this title unless full and complete information is given to the Congress.

Mr. MORGAN. If the gentleman will yield, I am not going to oppose this amendment. I recognize that it is of vital importance that the committees of the Congress should have access to detailed information about the operation of the mutual security program if they are to be able to discharge their function of legislative oversight.

There have been occasions in the past in which information has been kept from the Congress with the result that wasteful practices were allowed to persist. The most serious problem relating to the mutual security program today is the quality of its administration, and I am convinced that the best guarantee that the administration of the program will be improved is that Congress do a better job of riding herd on it.

At the same time I am aware that there is a question of executive privilege involved and that nothing we can do in the Congress can modify the Constitution.

I hope that the adoption of this amendment will provide the executive with an additional inducement to make available to the Congress the information which it desires. At the same time, I must concede that the President will have the final say in this matter until such time as the Supreme Court may be called upon to reach a decision as to the meaning of and limitations on executive privilege.

Mr. HARDY. I appreciate the committee's acceptance of this amendment.

The problem of securing necessary information has been difficult for committees of Congress on both sides of the Hill. One of the major difficulties has been the President's frequent introduction of this so-called doctrine of executive privilege to which the gentleman has just referred. I do not fully agree with what the gentleman has said on this subject. However, I believe that any discussion of executive privilege at this time would be completely academic because it is not applicable to the amendment I have offered.

The President derives his powers from two sources, the Constitution and the Congress. In this particular case, the powers which he exercises under the defense support provisions of the Mutual Security Act do not arise under the Constitution, but flow directly from congressional grant. This provision makes the exercise of this power—indeed the very existence of this power—conditional upon complete cooperation by the executive branch with the Congress in the provision of needed information.

Weaker measures were not sufficient to insure the Congress the information it requires for wise performance of its particular duties under the Constitution. The provision I have proposed goes to the very heart of the issue by providing expressly that during any time when refusal of requested information persists all authority to exercise the powers granted the President by the defense support portion of the act is suspended and becomes effective again only after the information requested is furnished.

(Mr. MONAGAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. MONAGAN. Mr. Chairman, I am happy to support the amendment offered by the gentleman from Virginia [Mr. HARDY]. I have been privileged to serve with the gentleman as a member of the Subcommittee on Foreign Operations and I have had a chance to see the difficulties which executive agencies have placed in the way of the committee in its job of following the foreign aid program. In many cases

these agencies have thrown up roadblocks which have prevented our committee from following out the task set for it by the Congress.

I believe in the objectives of the foreign aid program, but only by constantly reexamining this program can these objectives be attained and only by constant vigilance on the part of Congress can the administrators of the program be kept to the course charted out by the Congress itself.

I am happy that the members of the Foreign Affairs Committee have indicated that these amendments will be acceptable and I trust that they will be retained in the bill when it finally becomes law.

(Mr. HARDY asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was agreed to.

The Clerk read as follows:

DEVELOPMENT LOAN FUND

SEC. 202. (a) Section 202 of the Mutual Security Act of 1954, as amended, which relates to general powers of the Development Loan Fund, is amended by adding at the end thereof the following:

"(c) The Fund shall not allocate or commit funds aggregating in excess of $100,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country which is supported by sufficient engineering, financial, or other data to indicate reasonably (A) the manner in which it is proposed to use such funds, (B) the economic and technical soundness of such use, and (C) the practicability of such use, or (2) the President determines it to be in the national interest to use such funds pursuant to multilateral plans."

(b) Section 205(a) of the Mutual Security Act of 1954, as amended, which relates to management, powers and authorities, is amended by striking out "Under Secretary of State for Economic Affairs" in the first sentence and substituting "Secretary of State".

Mr. KYL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KYL: On page 3, lines 22 and 23, strike out the words "aggregating in excess of $100,000".

Mr. KYL. Mr. Chairman, the language which is in the bill is obviously intended to safeguard funds from misappropriation and misuse in the loan program.

Mr. Chairman, if it is wise to so govern expenditures of $100,000, and I believe it is, then I see equal wisdom in protecting expenditures of $99,000 or $9,000. Two projects at $50,000 equal one of $100,000. It is too easy to separate one project into parts.

Adoption of this amendment will make it much more clear that the Congress intends to inject better business management into this loan program, indicating a seriousness of purpose and intent. We will at least know the stated purpose of each project and will thereby have a logical basis for ultimate evaluation of that program.

Such business practices also should help generate some respect among nations which have reached the status of economic responsibility at the point where they seek to borrow rather than receive gifts.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I do not believe there has been a foreign handout bill to come before the House in my memory that Adolf Hitler has not been conjured up as one of the reasons why it was necessary to continue ladling out money all over the world. That goes for the Draft Act too. Hitler is dead—the Draft Act was passed some years ago; the old dictators remain and some new ones have been added. We have fought two wars since that Draft Act was passed, but still we hear about Hitler and the Draft Act. When the appropriation bill comes up to provide the money for this giveaway program, I have no doubt that we will hear more about Hitler and the Draft Act.

Reference was made to the distressed-areas bill. I say to you—continue this program—continue the development loan program, all the rest of the soft loans, plus this giveaway program, and you will have more, I will say to the gentleman from Pennsylvania [Mr. FLOOD], if he is on the floor—you will have more and more distressed areas in the United States. There will be more New England fishermen on the beach. There will be more coal miners unemployed. There will be more steelworkers unemployed. Just continue to put up loans—soft loans—loans that if they are ever repaid, will be in Yugoslavian dinars and Indian rupees and so on and so forth; currencies that cannot be taken out of the foreign country, to build more textile plants and more steel mills and more power-generating plants overseas. Yes; you are going to have more distressed areas in this country. There will be more of you around, hat in hand, seeking funds from Congress for the unemployed in your districts. Surely you are not unaware of the fact that in the last session of the Congress, the House passed a bill to provide Federal subsidies for the building of fishing trawlers for the New England fishing industry. Why? Because of foreign imports. The countries that are providing the frozen fish fillets are the beneficiaries in almost every instance in some form or other of the foreign handout program. I repeat, continue to vote for this kind of legislation and you are going to have more unemployed, and more of you will be around begging for more funds for distressed areas. Incidentally, how about some of those countries to which we are making gifts and uncollectible loans and which are buying U.S. securities? As I understand it, they now own some $11 billion of our securities. How silly can we get—giving money to foreign countries and they, in turn, buying our securities?

Mr. HARDY. Mr. Chairman, I offer a substitute amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HARDY as a substitute for the amendment offered by Mr. KYL: On page 3, line 23, strike out "$100,000" and insert therefor "$50,000".

Mr. HARDY. Mr. Chairman, I have offered this amendment for this reason. As the chairman of the committee has indicated, the language which this bill contains is a modification of an amendment which I sent to the committee for its consideration. Now I suggested the figure of $100,000, with the idea that there are occasions when some planning funds are needed, which ought not to be completely eliminated. It may be the figure of $100,000 is excessive and I am perfectly agreeable to reducing it to $50,000, but in spite of that fact, I want to keep this thing just as tight as I can and keep it on a businesslike basis, but I still think there is a need for a limited amount of authority excepted from the restrictions of this subsection.

Mr. Chairman, actually there are going to be very, very few cases when an earmarking of as little as $50,000 which will ever be requested. I hope my substitute amendment will be agreed to.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Virginia [Mr. HARDY].

The substitute amendment was agreed to.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Iowa, as amended by the substitute offered by the gentleman from Virginia.

The amendment as amended was agreed to.

Mr. HARDY. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HARDY: On page 3, line 22, strike out "or commit" and insert in lieu thereof "reserve, earmark, commit, or otherwise set aside."

On page 3, line 24, strike out "(1)".

On page 4, line 4, strike out all that follows "use" the second time that word appears, down to the period in line 6 on page 4.

Mr. HARDY. Mr. Chairman, the problem with which this amendment seeks to deal was discussed in considerable detail when members of my Government Operations Subcommittee recently had the privilege of visiting with the Committee on Foreign Affairs. I want to express my deep appreciation to the gentleman from Pennsylvania, Doctor Morgan, for inviting us. I think the kind of cooperation which has been developed between our two committees is likely to produce improved legislation, based not only on an analysis of the needs which the mutual security program seeks to fill, but taking into account also the quality of performance. It is our desire to be helpful and I believe that the kind of results now being achieved are those which the Legislative Reorganization Act had hoped for.

I like to think of our visit with the Foreign Affairs Committee as a joint discussion of the problems with which we are mutually concerned. At that time I agreed to suggest amendatory language designed to put an end to the abusive

practice of "earmarking." I was disappointed to observe the extent to which the committee had altered the language which I later suggested.

The amendment which I am offering now is essentially the same as my original recommendations to the committee, which included at the beginning the words "allocate, reserve, earmark, commit, or otherwise set aside".

There was and is a very good reason for including all of these terms. The reason is simply that they have all on occasion been employed by the executive branch to circumvent technical requirements of the statute and to avoid restrictions which Congress had intended. The Committee in its action eliminated several of these terms which I feel must be included in the legislation.

Another alteration of my amendment which this bill contains permits a broad waiving of the restrictions of this section virtually at Presidential discretion.

If the President delegates this authority, as he has delegated so many others under the Mutual Security Act, then the authority to waive the provisions may be in the hands of the same officials whose commitments and earmarking activities in the past have led to the need for this amendment.

Mr. CARNAHAN. Mr. Chairman, will the gentleman yield for the purpose of offering a substitute?

Mr. HARDY. I yield.

Mr. GROSS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. If the gentleman yields for that purpose he loses the floor; is that not correct?

The CHAIRMAN. The gentleman is correct.

Mr. HARDY. I yield for that purpose.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Missouri [Mr. CARNAHAN] as a substitute for the amendment offered by Mr. HARDY.

The Clerk read as follows:

Amendment offered by Mr. CARNAHAN as a substitute for the amendment offered by Mr. HARDY: On page 3, line 22, strike out "or commit" and insert in lieu thereof "reserve, earmark, commit, or otherwise set aside."

On page 4, line 5, strike out all the follows "President" and "personally determines with respect to each such allocation, reservation, earmarking, commitment, or set aside that it is in the national interest to use such funds pursuant to multilateral plans."

Mr. CARNAHAN. Mr. Chairman, this substitute which I am offering follows the amendment offered by the gentleman form Virginia in the first portion of his amendment. My amendment merely add revised wording for the portion that he strikes out. In lieu of the language to be stricken out I add:

The President personally determines with respect to each such allocation, reservation, earmarking, commitment, or set-aside that it is in the national interest to use such funds pursuant to multilateral plans.

I further want to compliment the gentleman for the very careful and constant work that he and his committee have done in checking on the expenditure of security funds. The amendment adopted in committee was an attempt to arrive at something which would be satisfactory for your committee. I hope the gentleman will accept this substitute.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. CARNAHAN. I yield.

Mr. HARDY. I appreciate the genuine cooperation of the gentleman and the attention which his committee has given to this difficult problem. Frankly, I am not enthusiastic about the language which the gentleman has offered, but it is a big improvement over what was in the bill, and I am disposed to accept it.

I ask unanimous consent, Mr. Chairman, that it be considered instead of the language contained in my amendment.

[Mr. JUDD addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Missouri [Mr. CARNAHAN].

The substitute amendment was agreed to.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Virginia as amended by the substitute.

The amendment as amended was agreed to.

Mr. FEIGHAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FEIGHAN: Page 3, immediately after line 16, insert the following:

"(d) Section 143, which relates to assistance to Yugoslavia, is amended to read as follows:

" 'SEC. 143. ASSISTANCE TO YUGOSLAVIA.—No assistance shall be furnished under this Act to Yugoslavia after the date of enactment of the Mutual Security Act of 1960.' "

Mr. FEIGHAN. Mr. Chairman, my amendment will cut off U.S. aid to the Communist dictator Tito. Approval of my amendment will stop the use of U.S. funds to further the cause of the international Communist conspiracy which seeks to destroy the freedom which we in the United States enjoy and to bring all nations under the tyrannical heel of the Kremlin. The present policy of our State Department to assist the Communist regime of Yugoslavia is based on arguments, assertions, and claims which are devoid of any factual basis and totally disregard the basic elements of the foreign policy of the Communist dictator Tito and the Communist Party of Yugoslavia. In my remarks yesterday, which appear on pages 7793 to 7798 of the RECORD, I analyzed the actions and statements of Tito and the Communist leaders of Yugoslavia, which clearly prove that Tito and the leaders of the Communist Party of Yugoslavia are dedicated to the victory of world communism, and they blatantly announce to the world that they stand steadfastly with the leaders of the Kremlin in support of the ultimate victory of world communism.

The only argument advanced for giving any type of aid to Yugoslavia is the same argument that was used to cause Congress to make the first appropriation for assistance to Yugoslavia. That argument was that Tito had broken with the Kremlin and that he represented a new phenomenon called national communism which could be used to break up the power bloc of the Russian Communist empire. Now let me quote for you what Tito himself says in refutation of this specious argument about national communism. I quote:

I must say that there is no national communism. Yugoslav Communists are also internationalists. * * * The whole thing is that various countries which are building socialism have different conditions under which the new system is being built. That does not mean that the systems are different, but only that there are differences in the roads which lead to the same Socialist systems. As far as our international obligations as Communists are concerned, I must say the Communists of Yugoslavia have never failed to fulfill them.

Thus, Tito boasts of the fulfillment of his obligations to the international Communist conspiracy.

On another occasion Tito said:

I wish, comrades, that Poland and Yugoslavia—which are much criticized for practicing some national communism, which I consider nonsense—ought to show that they have no use for any national communism.

Some naive people believe that Tito is neutral. Tito in his own words refuted this idea.

In June 1956, Tito visited Stalingrad as a guest of the Russian leaders and here is what he said in a public address made in response to the welcoming statement:

Yugoslavia, in time of war, as in time of peace, marches shoulder to shoulder with the Soviet people toward the same goal—the goal of the victory of socialism.

Assistance to Yugoslavia is a classic example of abuse in the use of foreign economic assistance and a prime reason why the assistance program is falling into discredit. We should stop assistance to Communist dictators. We should stop assistance to all dictators who deprive their people of the basic human freedoms. When people are deprived of the basic human freedoms, their nation cannot qualify as a free nation. It is the policy of Congress to assist free nations.

The record of Tito and the Yugoslav Government in the United Nations is one of almost complete support of the Soviet Union.

We are spending billions of dollars of U.S. taxpayers money in an effort to preserve freedom throughout the free world and to defeat communism, which is utterly opposed to our way of life, and which seeks to impose its basc tenets and tentacles upon the United States and every other free country of the world. I cannot understand any logic that provides that the means to defeat communism is to support and to provide communism with U.S. taxpayers' money.

I wish some member of the Foreign Affairs Committee or some Member of the House would give a sound reason or reasons why U.S. taxpayers' money

should be used to support the cause of communism in Yugoslavia.

I urge adoption of my amendment.

(Mr. FEIGHAN asked and was given permission to revise and extend his remarks.)

Mr. ZABLOCKI. Mr. Chairman, it is with some reluctance that I rise in opposition to the amendment offered by the gentleman from Ohio [Mr. FEIGHAN].

First, it is quite well known that I am in opposition to totalitarian governments, and I certainly am not going to praise Tito or to defend him. I do want to make clear, however, that the money provided in this bill for Yugoslavia is not to promote Tito or communism. It is to assist the people of Yugoslavia. I wish to call the gentleman's attention to page 61 of the committee report. Section 143 states:

> In furnishing assistance to Yugoslavia, the President shall continuously assure himself (1) that Yugoslavia continues to maintain its independence, (2) that Yugoslavia is not participating in any policy or program for the Communist conquest of the world, and (3) that the furnishing of such assistance is in the interest of the national security of the United States.

In my opinion, this language is stronger than the gentleman's amendment.

Now, we are desirous of keeping Yugoslavia from reentering the Cominform. It is our desire to keep Yugoslavia independent from the Kremlin.

The gentleman's amendment would discontinue all aid to Yugoslavia upon the enactment of this legislation and would very likely drive Yugoslavia into the Soviet. All Soviet bloc credits to Yugoslavia were canceled in 1958, and no new Soviet credits are at present anticipated. I wish to point out that there is no military assistance to Yugoslavia in the legislation before us.

The program for Yugoslavia constitutes technical assistance and special assistance to be used entirely to procure demonstration equipment, including teaching aids and laboratory equipment. That is, to demonstrate our way of life to the people of Yugoslavia.

The technical cooperation program will include such things as industrial productivity centers, a training and research institute in connection with a model coal mine, a highway institute for the training of Yugoslav engineers and technicians, and public health improvement program. No DLF loans are currently contemplated.

It is very difficult for the United States to take any action which will improve the lot of or advance the liberation of the people in the European satellite countries.

The United States is not ready to go to war to liberate the satellites and it is not either to our or their interest to incite them to premature revolution. There are limits on the value of directing propaganda to them since they are already aware of the advantages of freedom and do not need to be reminded of them.

Assistance to Yugoslavia does contribute to the promotion of the independence of the satellite countries.

Each satellite is governed by Communist bureaucrats. These officials take orders from Moscow. It is in our interest if we can encourage these bureaucrats to think of themselves as having a national interest and a national identity rather than as being Russian stooges. If they occasionally regard themselves as Czechs, or Bulgarians, or Poles, and as having an obligation to their own countries rather than to the Soviet Union, it is worthwhile.

Tito serves as a constant reminder to the satellite countries that a nation may avoid becoming completely assimilated into the Soviet Union.

It must be conceded that Tito is a Communist, a dictator, and that he would very likely not be elected President by his own people in a free election.

It must be conceded also that he tries to remain on good terms with both the Soviet Union and the United States, and that he seeks assistance from both sides. If we discontinue the limited amount of assistance provided for in this bill to Yugoslavia, may cause Tito to seek all of his assistance from the Soviet Union. We close the door, bring down the Iron Curtain, and make it impossible for us to penetrate into that area. Therefore, in spite of these facts I submit, it is in the interest of the United States to continue to provide assistance to Yugoslavia. Under this bill authorization is planned only for a small amount of economic and technical assistance which is to the benefit of the people of Yugoslavia. No military aid is programed for Yugoslavia.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think this is an excellent time and place to put in the RECORD some more information regarding Yugoslavia. The gentleman from Wisconsin says we are giving them only a little aid. Let us take a look at this unclassified list of what we are doing under the Development Loan Fund alone for Yugoslavia. Here is a $5 million so-called loan for 20 deisel locomotives, $5 million. Incidentally, as I said earlier today, those locomotives are being bought abroad, not manufactured in this country, using our workmen, our coal, our steel, and so on and so forth. There is fertilizer plant, $22.5 million. A thermal powerplant, $9 million, and a hydroelectric plant, $15 million. Does the gentleman still say we are giving them a littue aid? All of that is in addition to the military assistance and other handouts to Yugoslavia.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. The gentleman does not maintain that the programs he has enumerated are provided for in the bill presently considered by this body. I did not say there was little aid given to Yugoslavia in the past. I stated that there is very little aid in this bill for Yugoslavia.

Mr. GROSS. Let me add this: Most of these so-called loans, soft loans, are being made for 20 to 25 years, at 3½ percent interest and they are to be repaid almost altogether in the currency of that country. If ever paid, it will be in the currency of Yugoslavia. What American taxpayers, who have put up the dollars, will do with the dinars I do not know. Oh, yes; there is more than a little aid going to Yugoslavia.

Mr. ZABLOCKI. Mr. Chairman, if the gentleman will yield further, would he prefer that Yugoslavia obtain the assistance that country needs from the Soviet Union? Would he prefer that we discontinue giving aid to Yugoslavia?

Mr. GROSS. I say the gentleman will not stand on the floor of this House now or later and tell me that when the chips are down, Tito and his Yugoslavia will be on our side.

Mr. ZABLOCKI. Not so long ago Yugoslavia was not in accord with the policy of the Soviet Union.

Mr. GROSS. The gentleman is not going to stand here and say that he would depend upon Tito to fight with the United States if we ever have a war. I know he will not do that.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. FEIGHAN. I would like to bring to the attention of the Members and also my distinguished colleague from Wisconsin [Mr. ZABLOCKI] that a careful analysis of the foreign policy of the Communist government of Yugoslavia, which is included in my remarks of yesterday, clearly shows that Tito and the Communist government of Yugoslavia have failed to fulfill any of the three requirements for receiving U.S. aid which are required under section 143. When you talk about giving money or assistance to Yugoslavia to keep them from the camp of the Soviet Union, they are already in the camp of the Soviet Union; they are part and parcel. And, if there is any question of a showdown, it is patently clear that the Yugoslavs, according to the words of Tito, will go along with the Communist conspiracy headed by the Kremlin.

By giving aid to Tito, we are strengthening his tyrannical grip over the people of Yugoslavia. Aid to Tito does not contribute to the promotion of the independence of the satellite countries, instead it shows the Communist countries that they can still be Communists and still get assistance from the United States. Aid to a Communist regime appears to me to be a strange method of telling the enslaved people that the United States is against communism.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Virginia.

Mr. POFF. May I inquire of the gentleman if he has any information relative to a gift of an atomic reactor to Yugoslavia.

Mr. GROSS. There is nothing shown to that effect in this material, and I have no such information; no.

Mr. POFF. I recently had occasion to read an article on that subject, and I wonder if the gentleman would yield further so that I might direct that question to the chairman of the committee.

Mr. GROSS. Of course I yield for that purpose.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes, I yield.

Mr. ZABLOCKI. We have given some assistance toward an atomic reactor, but they already had a reactor. I wish to point out however, there is no money in this bill for that purpose.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. POFF. It is my understanding that the reactor which they already have was donated to them by Soviet Russia; is that true?

Mr. ZABLOCKI. That is correct.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. DERWINSKI. I am wondering if under this technical assistance program or any other program that we might provide Yugoslavia, it would be proper for us to ask that some assistance be given to provide religious freedom for the poor people in Yugoslavia, or would that be too much for us to ask of them?

The CHAIRMAN. The time of the gentleman from Iowa [Mr. GROSS] has expired.

The question is on the amendment offered by the gentleman from Ohio [Mr. FEIGHAN].

The question was taken; and on a division (demanded by Mr. FEIGHAN) there were—ayes 36, noes 62.

Mr. FEIGHAN. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

The Clerk read as follows:

TECHNICAL COOPERATION

SEC. 203. Title III of chapter II of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is amended as follows:

(a) In section 304, which relates to authorization, strike out "$179,500,000" and "1960" and substitute "$172,000,000" and "1961", respectively.

(1) Amend section 306, which relates to multilateral technical cooperation and related programs, as follows:

(1) In subsection (a), which relates to contributions to the United Nations Expanded Program of Technical Assistance and related fund, strike out "$30,000,000" and "1960" and substitute "$33,000,000" and "1961", respectively.

(2) In subsection (b), which relates to contributions to the technical cooperation program of the Organization of American States, strike out "1960" and substitute "1961".

Mr. ROGERS of Florida. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, funds in the amount of $931 million are recommended in this bill for two particular economic assistance programs: defense support, and special assistance. This $931 million will take the form of direct gifts and grants to those countries receiving this aid. During the last session, with the active support of the distinguished chairman and members of the Foreign Relations Committee, I submitted an amendment to the mutual security bill aimed at cutting down economic gift and grant assistance in these two categories. A similar amendment was proposed in the Senate by Senator MANSFIELD. This amendment, overwhelmingly adopted by the Congress and now section 503(c) of the Mutual Security Act, directed the President to conduct a continuing country-by-country study of those countries now receiving this type of aid and to present a plan whereby gifts and grants would be progressively reduced and terminated. The adoption of this amendment marked the first positive expression of congressional intent that gift and grant aid be cut down.

A report on the continuing study provided for in section 503(c) was recently submitted to the Congress by Under Secretary Dillon. This report contained some frank predictions as to what we could expect in the way of reductions and termination in gifts and grants. It is encouraging to me and I know to other Members of the House who want to see the overall program cut down to size, that termination of almost half of the 22 defense support and special assistance programs can be foreseen within the next 5 years.

This year, as the result of the detailed study provided for in section 503(c), we have seen a $115 million reduction in the amount requested for these two categories of economic assistance for fiscal year 1961 below the amount requested for the same program last year. I am pleased to note that the committee has reduced these requests by an additional $61.5 million. This reduction may seem slight when we think in terms of the costs of the overall program but at least it represents a start in the right direction.

I hope that those who administer the program will realize that the Congress has a continuing interest in seeing that 503(c) is administered each year with a determined effort to see that these programs are reduced and eventually eliminated.

I want to thank the chairman of the committee for his fine support in starting us toward getting some savings as a result of this amendment.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. I think the Rogers-Mansfield amendment has served a useful purpose. I agree with the gentleman it has contributed to bringing about a reduction in the defense support funds. Heretofore the full report on the implementation of this amendment has been classified, but last week an unclassified report has been released. It has been a good amendment.

Mr. ROGERS of Florida. I appreciate the remarks of the chairman.

Mr. Chairman, in connection with the foreign aid program, two schools of thought exist. Under Secretary Dillon has publicly called for its extension for perhaps 50 years. On the other hand, John Hollister, a former administrator of the program, cites the fact that it was intended to be only a temporary plan and that we should begin thinking in terms of discontinuing it. Paul Hoffman, another former administrator of economic aid, had this to say:

> I believe that the notion that you can win friends with economic aid will not hold water. In other words, I don't think you can win friends nor do I think economic aid is an instrument that can be used successfully in this so-called cold war.

This year, assuming that the President's request for funds is approved, the almost $6 billion in previously appropriated unspent sums will make a total of almost $10 billion that can be spent during the fiscal year beginning July 1, 1960. Despite these tremendous expenditures, the foreign aid program is still beset by many of the haphazard operations that have characterized it since the beginning. While progress is being made toward cutting down the program in some areas, waste and inefficiency remain large scale in others. Administering agencies have built themselves into gigantic self-sustaining bureaucracies now numbering 43,000 permanent personnel with an additional 10,000 trainees.

Last fall, a study mission composed of members of our own Foreign Relations Committee completed a 40,000-mile world tour to study the effect of the foreign aid program in areas which have been receiving our aid. The report of this study group is replete with further examples of lavish, unnecessary spending. It concluded by calling for an immediate review and reappraisal of the foreign aid program because it is not "reaching the people." It also cited the pressing need for greater supervision of its farflung activities. To these recommendations I can only add a sincere "amen."

Sooner or later, Mr. Chairman, we are going to have to face up to the fact that a program which is trying but failing to reach the people must be reevaluated in terms of basic objectives. If it is not reaching the people the fault certainly cannot be attributed to any lack of funds. Our own Comptroller General has stated that the weakness of the program is too much money rather than too little. We have too often been placed in the anomalous position of trying to win friends to the democratic way of life among those who have neither the understanding nor the present background to understand democracy.

We no longer limit ourselves to giving help to a country that will strengthen its government in resisting threats of oppressor nations or to some modest aid that might attain some modest improvement in that nation's economy. We undertake, instead, to reshape the whole country—its agriculture, its industry, its schools, even its customs and way of life.

In short, we no longer discipline ourselves by hard judgments on what we hope to accomplish or to whether there is a reasonable prospect of accomplishing it. This failure of discipline has

given to the foreign aid program unattainable objectives, limitless cost, and accounts for practically all its trouble; the waste, the inefficiency, and the irritation of the recipients with their benefactors.

If one can see any encouraging trend in our present attitude toward foreign aid, it is the increasing emphasis on loans rather than grants. It seems to me that this is a good beginning toward returning to a sensible policy. With this encouraging start, perhaps we can begin thinking in terms of specific programs rather than a sweeping general program; perhaps we can devote our energies to helping nations carry out their own plans in their own way, if we decide their plans are worth helping at all.

But first, we are going to have to abandon the notion that the U.S. Treasury is a perpetual fount, spouting forth tax dollars to every nation under the sun just because these nations are underdeveloped or in serious financial straits or happen to want some U.S. dollars. The long range objectives of promoting friendship for the United States among the lesser developed nations of the world has too often not been attained. Because I do not think that we have received benefits commensurate with the nearly $80 billion we have poured into this program, I intend to oppose again this year any additional funds for this purpose especially with such large sums remaining unspent and I am hopeful that the Congress will again see fit to substantially reduce the amount requested for foreign aid.

(Mr. ROGERS of Florida asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 5, immediately after line 6, insert the following: "(c) Repeal section 308, which relates to the International Development Advisory Board".

Mr. GALLAGHER. Mr. Chairman, I rise to urge the passage of this section without reduction of the amount requested in this section with regard to technical cooperation. This is an area which should be approached in light of our real national purpose. This is an area where we assist people, where we lend aid to the needy, where we stand ready to meet our obligations to the rest of mankind.

I have listened to the criticism of the opponents of this program on both sides of the aisle, who each year oppose the program. Some conscientiously oppose—others with a meat ax in their hand and lacking the slightest acquaintance with the real need or purpose of the Mutual Security Act try to ridicule it with isolated instances of inefficiency and waste.

Is it not the real intent of all of us to eliminate waste and inefficiency where they appear? But this can never be a reason to condemn the program in toto. It may be a convenient reason for opposition. But it is not a valid reason for opposing the entire program.

The authorization request for fiscal year 1961 is $172 million. The technical cooperation programs reach people more directly and more immediately than any other form of aid. Critics who argue that our aid does not reach down to people should support this program. This is an area where we should increase the program rather than decrease.

The principal fields of activity are agriculture, education, public administration and health.

This is not a commodity program. Eighty-one percent of the funds are for costs of technicians, training of local participants in the United States and other free countries, and for contracts with American universities and business firms who aid in research of difficult problems to bolster economic progress.

A major factor and an extremely important aspect of this year's program is an acceleration in the African countries. This is in addition to the special program for tropical Africa that will be financed through special assistance funds.

The amount programed for Africa in fiscal year 1961 is $24,300,000, an increase of $3,350,000 over the current year. This increase understates the funds for Africa since at the time the budget was prepared it was not apparent that the Belgian Congo, the Mali Federation, Madagascar, and other former colonies would secure their independence.

The $172 million recommended is several millions less than the field requests. The latter were screened intensively and overall the feasibility of recruiting U.S. technicians and otherwise implementing the program was considered before the executive branch made its final recommendations.

I urge the passage of the whole amount. Nations that we have helped in the past have indicated a readiness to join us in aiding the underdeveloped nations. Their participation should be encouraged. Our faith in the program is the best type of encouragement.

Let us act responsibly and maturely, with patience and understanding toward the old nations and the new; let us vote favorably in this program with no further cuts in these vital areas.

It is perhaps a great opportunity to demonstrate to all nations and all people that we are interested not only in containing communism but that we are interested in making life more worthwhile for those who, but for the United States, would be without hope.

Mr. MORGAN. Mr. Chairman, we accept the amendment.

Mr. GROSS. I thank the gentleman.

The CHAIRMAN. Without objection, the amendment is agreed to.

There was no objection.

The Clerk read as follows:

SPECIAL ASSISTANCE AND OTHER PROGRAMS

SEC. 204. Title IV of chapter II of the Mutual Security Act of 1954, as amended, which relates to special assistance and other programs, is amended as follows:

(a) In section 400(a), which relates to special assistance, strike out "1960" and "$247,500,000" and substitute "1961" and "$256,000,000", respectively, and add at the end thereof the following: "It is the sense of the Congress that so long as it is the policy of the United States not to sell or furnish armaments to any one nation in the Near East, no part of the funds appropriated pursuant to this section should be used for the purchase of armaments by any other nation in the Near East."

(b) In section 401, which relates to the United Nations Emergency Force, strike out "1960" in the second sentence and substitute "1961".

(c) In section 402, which relates to earmarking of funds, strike out "1960" in the first sentence and substitute "1961".

(d) In section 403, which relates to responsibilities in Germany, strike out "1960" and "$7,500,000" in the first sentence and substitute "1961" and "$6,750,000", respectively.

(e) Insert after section 403 the following new section 404:

"SEC. 404. INDUS BASIN DEVELOPMENT.—The Congress of the United States welcomes the progress made through the good offices of the International Bank for Reconstruction and Development toward the development of the Indus Basin through a program of cooperation among South Asian and other nations of the free world in order to promote economic growth and political stability in South Asia, and affirms the willingness of the United States, pursuant to authorities contained in this and other Acts, to participate in this significant undertaking. In the event that funds appropriated pursuant to this Act are made available to be used by or under the supervision of the International Bank for Reconstruction and Development in furtherance of the foregoing purposes, such funds may be used in accordance with requirements, standards, or procedures established by the Bank concerning completion of plans and cost estimates and determination of feasibility, rather than with requirements, standards, or procedures concerning such matters set forth in this or other Acts; and such funds may also be used without regard to the provisions of section 901(b) of the Merchant Marine Act of 1936, as amended (46 U.S.C. 1241), whenever the President determines that such provisions cannot be fully satisfied without seriously impeding or preventing accomplishment of such purposes.".

(f) Amend section 405, which relates to migrants, refugees, and escapees, as follows:

(1) In subsection (c), which relates to contributions to the program of the United Nations High Commissioner for Refugees, strike out "1960" and "$1,100,000" and substitute "1961" and "$1,500,000", respectively.

(2) In subsection (d), which relates to the continuation of activities undertaken for selected escapees, strike out "1960" and "$5,200,000" and substitute "1961" and "$3,500,000", respectively.

(g) In section 406, which relates to children's welfare, strike out "1960" and substitute "1961".

(h) In section 407, which relates to Palestine refugees in the Near East, strike out "1960" and "$25,000,000" in the first sentence and substitute "1961" and "$18,500,000", respectively; and strike out the proviso in the first sentence.

(i) In section 409(c), which relates to ocean freight charges, strike out "1960" and "$2,300,000" and substitute "1961" and "$2,000,000", respectively.

(j) Amend section 411, which relates to administrative and other expenses, as follows:

(1) In subsection (b), which relates to certain expenses of administering nonmilitary assistance, strike out "1960" and "$39,500,000" and substitute "1961" and "$40,000,000", respectively.

(2) In subsection (c), which relates to administrative and other expenses of the Department of State, strike out "to" after

"appropriated" and substitute "for expenses of".

(k) Section 412, which relates to the President's special education and training fund, is repealed.

(l) In section 419(a), which relates to atoms for peace, strike out "1960" and "$6,500,000" and substitute "1961" and "$3,400,000" respectively.

(m) Add the following new section after section 420:

"SEC. 421. LOANS TO SMALL FARMERS.—It is the policy of the United States and the purpose of this section to strengthen the economies of underdeveloped nations, and in nations where the economy is essentially rural or based on small villages, to provide assistance designed to improve agricultural methods and techniques, to stimulate and encourage the development of local programs of self-help and mutual cooperation, particularly through loans of foreign currencies to associations of operators of small farms, formed for the purpose of joint action designed to increase or diversify agricultural productivity. The maximum unpaid balance of loans made to any association under this section may not exceed $25,000 at any one time; and the aggregate unpaid balance of all loans made under this section may not exceed $10,000,000 at any one time."

Mr. BENTLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENTLEY: On page 5, line 15, strike out all after "that" through the comma on line 16 and strike out "other" on line 18.

(Mr. BENTLEY asked and was given permission to revise and extend his remarks.)

Mr. BENTLEY. Mr. Chairman, I want at this time to express my personal appreciation to the chairman of our committee for the very kind remarks he made about my work on the committee earlier in the day, and to say as I have said in the past, that it is with very deep regret I say goodby to him and to my other colleagues on the Committee on Foreign Affairs at the close of the 1960 year.

This amendment, Mr. Chairman, is merely for the purposes of strengthening a very desirable portion of this bill, which was written in by the Committee on Foreign Affairs. It was the feeling of the committee that with respect to special assistance, which the committee understood was being used by certain countries in some cases for the purchase of armaments in the Near East, even though special assistance is basically economic assistance, that in view of the unsettled conditions in the Near East, and in view of the tensions that not only exist but can be aggravated by unrestricted sales or purchases of armaments in that area, it was felt, as I say, by the committee that special assistance should not be used by any country in the Near East for the purpose of purchasing armaments, but should be limited entirely to economic assistance as, of course, is the intent of the special assistance section. I did feel when this particular language on page 5 was adopted by the committee that some confusion might possibly arise owing to the fact that there are countries or one country at least in the Near East to whom, I believe, under no circumstances would we sell or furnish armaments at the present time. I, therefore, felt that language would be clarified and strengthened by the adoption of my amendment, which would make the language read as follows:

It is the sense of the Congress that no part of the funds appropriated pursuant to this section should be used for the purchase of armaments by any nation in the Near East.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield.

Mr. MORGAN. After a consultation with the author of the language of this section of the bill, the gentleman from California [Mr. SAUND], I think the amendment offered by the gentleman from Michigan improves the bill and there is no opposition to it.

Mr. BENTLEY. Mr. Chairman, I wonder if the author of the amendment, the gentleman from California [Mr. SAUND], with whose objectives in writing this language in the bill I thoroughly concur, has any comment he would care to make at this time.

Mr. SAUND. I have nothing to add to what my chairman has said.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. BENTLEY].

The amendment was agreed to.

Mr. GEORGE P. MILLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GEORGE P. MILLER: On page 7 of the bill, on line 8, strike out the period within the quote and insert in lieu thereof the following: ", provided that compensating allowances are made in the administration of other programs to the same area to which the requirements of said section 901(b) are applicable."

Mr. GEORGE P. MILLER. Mr. Chairman, this merely clarifies and makes certain that the intent of the committee is fully carried out with respect to the so-called fifty-fifty act. I have taken this up with the chairman and with Dr. JUDD, and they assure me there is no objection to the amendment.

Mr. MORGAN. That is agreeable. I think the Committee on Merchant Marine and Fisheries has taken this up with the State Department, and this language is acceptable to them.

Mr. GEORGE P. MILLER. Mr. Chairman, the principle involved in the proposed section 404 of the present bill troubles me greatly. First, let me mention the language specifically. It provides in part that the Cargo Preference Act or section 901(b) of the Merchant Marine Act of 1936 shall be waived in connection with the Indus Basin project. It goes on to mention in rather fancy language the circumstances under which it shall be waived, but I am left with one very strong conviction and that is the Department's desire to cater not to our own interests but to the interests of those abroad in waiving the Cargo Preference Act. This is at least the third time that I recall that a new program was going to prove to be a fiasco unless the Cargo Preference Act was waived. Everyone of those predictions was in error, and I have absolutely no reason to believe that that which is anticipated now will prove otherwise.

Just for a moment, let us talk about the necessity for granting this authority at this time for a program that is going to run for 10 years. The Department of State has said on two different occasions that it does "not foresee need to exercise this authority in the near future." Why, then, the request at this time? Surely, if the fate of this monumental project rests on the waiver of the Cargo Preference Act, there is hardly a member of this body who would not set aside that legislation should such an exigency develop. But we have no evidence of this so far. The Department itself doubts that it will ever come to pass.

Moreover, if the witness of the State Department before the Committee knew how his own Department was administering the Cargo Preference Act, it would have been crystal clear to him that the authority to waive cargo preference was absolutely unnecessary. Never has our shipping law been administered on the basis of each particular project within a broad aid program. It has always been administered overall to each geographic area. It would, therefore, have been entirely proper, should the situation have developed, for American ships not to carry any of the Indus River project cargoes, provided that other aid programs to that area were administered in such fashion as to give American ships 50 percent participation overall. This is so completely obvious that the Department, apparently seeking to save face, issued a release on April 19, 1960, in which it said, referring to the extent of American-flag participation in Indus River cargo, that—

Should this amount prove to be lower than that required under the cargo preference legislation, it was believed that compensating adjustments in other MSP-financed traffic patterns would obviate the need in the near future to request actual use of the waiver authority.

The facts are brutally simple. Had the State Department known what it was doing in this connection in the first place, it would have been blatantly evident that the waiver authority requested was absolutely unnecessary, particularly at this time.

Now, for a moment as to the principle involved, completely apart from the specific law that is asked to be waived. I have been a consistent supporter of the foreign-aid program, and I am impressed with the monumental burden undertaken by our taxpayers in supporting these various programs. In part, this tax burden was compensated for by the stimulation of the American economy and job creation in the production of goods and services for shipment abroad. But recently, the emphasis has shifted to stretching the aid dollar by increasing procurement abroad. This may make our dollar go further, but it certainly does not bring anything back into the American economy. Now, we are faced, in section 404 of the present bill, with an entirely new proposition. This runs to the effect that

because our money in tremendous proportions is being commingled with the small amounts of moneys of other countries and the total sum is to be administered by the International Bank, long-standing American laws shall be set aside. On page 236 of part 2 of the hearings, we are advised by its advocates that it is essential that the International Bank "have the authority to allow the use of our funds in accordance with the requirements, standards, or procedures of the International Bank." To date, they have chosen to set aside our maritime laws for at least 10 years in the future. When next are our health and safety laws to be set aside, and what then will the excuse be? When is our farm legislation to be set aside? When will progressive labor and social security legislation be set aside? And what sort of pretext will be advanced for that?

Without equivocation, and I doubt if there is a Member of this body who will disagree with me, I do not think my constituents would appreciate giving away a substantial portion of the United States and, in addition thereto, setting aside American legislation as a necessary prequisite. For us to yield our money is one thing; to yield our principles and law, quite another.

I, therefore, am heartily in favor of specifically providing in the present legislation the amendatory language suggested so as to assure that our basic legislation is not eroded.

(Mr. GEORGE P. MILLER asked and was given permission to revise and extend his remarks.)

Mr. TOLLEFSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, section 404 of this bill provides for participation by the United States in the Indus Basin development project—a billion-dollar undertaking in which the United States would be putting up some $515 million of a total of $645 million being contributed by six countries including the United States. In addition, the World Bank, which will be adminstering this project, is putting up $103 million, and the two countries in which the project would take place, namely, India and Pakistan, will also be making some contribution in local currency.

Because the funds which will be appropriated for the Indus Basin under this bill will be administered by the World Bank the Department of State has anticipated the possibility of a problem in administering one of the provisions of the Merchant Marine Act of 1936, as amended, namely, the matter of cargo preference in connection with the shipment of materials deriving from our mutual security assistance programs. To cover this point the final clause of section 404 provides for waiver of the provisions of section 901(b) of the Merchant Marine Act, as amended, in connection with this project whenever the President determines that such provisions cannot be fully satisfied without seriously impeding or preventing the accomplishment of the purposes of the program.

This matter of waiver of our cargo preference statutes in connection with the Indus Basin Project is a matter of great concern to the entire steamship industry. The waiver provision goes so far beyond the requirements of the situation that one wonders whether there is not some purpose behind it other than that of which we and the Congress have been informed. The State Department, speaking for the administration, has advised that there is no immediate necessity for waiver but that authority for it has been requested in the event waiver should be found desirable in the future; and that in any event the shipping industry should not be concerned because any deficiencies resulting from this project can be compensated from within the regular mutual security program for the area. Under Secretary of State Dillon advised the ocean steamship industry to this effect in a letter to Ralph E. Casey, president of the American Merchant Marine Institute, dated April 11, 1960, from which the following is quoted:

> As we have explained to the Congress and to you and your associates, we do not foresee need to exercise this authority in the near future. If the present programs of assistance under the Mutual Security Act were to continue at approximately present levels over the period of time that will be required to complete the Indus Basin project, we could probably be reasonably confident that no necessity to waive the provisions of the cargo preference legislation would arise.

In this same letter Secretary Dillon advised the industry that "we anticipate ability to compensate within the regular mutual security program for the required proportion of the tonnage deriving from implementation from the Indus Basin project."

It is just this kind of logic which has caused our industry such concern. If section 901(b) of the Merchant Marine Act can be administered in the manner in which Secretary Dillon proposes—and we agree that it can—why, then, is a waiver needed? Would not the effect of such waiver authority be to relieve the Department from its obligation to compensate for these cargoes in the manner in which they say they are willing and plan to do? For this reason I urge that it be made clear in the language of the bill itself that this waiver authority, if granted, will not be used as a mechanism for avoiding the promised compensation from other mutual security programs.

It has been suggested that an appropriate means of accomplishing the above would be to append a clause at the end of the present waiver provision to the effect that in the event of exercise of this waiver any deficiencies in section 901(b) of the Merchant Marine Act of 1936, as amended, resulting from the exclusion of this program will be compensated for to the extent possible from other mutual security programs in the same area. Such an amendment is nothing more than putting into language of the waiver authority that which Secretary Dillon has advised the Congress and the industry he plans to do as a matter of administration.

We would have preferred, of course, that the waiver provision be removed entirely from the bill. However, it is appreciated that at this stage matters may have progressed to the point where such a request might be considered unreasonable by many of those concerned. In all fairness, therefore, we urge the above action as a second-best, but acceptable, solution.

Mr. GEORGE P. MILLER. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. GEORGE P. MILLER. I do want to express my appreciation to the chairman and to Mr. JUDD, and to the members of the committee on your side for the understanding way in which they have received us and for the fact that they have agreed to accept this amendment, which pretty well clears up the situation.

Mr. JUDD. I think it should be said that the reason the committee went along with this waiver of the 50–50 proviso was the fact this is the first big multilateral arrangement that it has been possible to work out. It has taken the International Bank 8 years to get the India-Pakistan agreement, and we do not want to jeopardize so important a project. We favor such multilateral arrangements. We do not want to have the United States bear the whole burden of a project if we can get a group of countries, some of which are in better financial condition than the United States, to go along in multilateral financing. Australia, New Zealand, Canada, Germany, and the United Kingdom are contributing to this project. If we insist upon a certain condition regarding our contribution, Germany or Canada or New Zealand can do the same thing, and smooth administration of the whole thing would be stymied. As long as we can accomplish the merchant marine's objective of assuring that 50 percent of all shipping under this bill is in American bottoms, the end desired is achieved, and a possible foulup of this multilateral program is avoided.

Mr. TOLLEFSON. I thank the gentleman.

I want to join the gentleman from California [Mr. MILLER], in expressing appreciation for the cooperation of the committee. We favor the Indus Basin project. We do not want to do anything to hurt the project, but we want to protect our Cargo Preference Act.

Mr. GROSS. The gentleman from Minnesota mentioned New Zealand. Well, we are getting tons of dressed lamb and other materials from New Zealand and Iceland. At the same time, we support wool at approximately 100 percent of parity. That is some more of the folly of this entire international program.

Mr. TOLLEFSON. I thank the gentleman for his contribution.

(Mr. TOLLEFSON asked and was given permission to revise and extend his remarks.)

(Mr. PHILBIN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PHILBIN. Mr. Chairman, I want to compliment the able gentleman for introducing this amendment. Obviously, it is needed to protect the American merchant marine. I compliment the able chairman and the committee for accepting it.

Some fantastic arguments have been used in support of the proposed waiver of the cargo preference law. It is asserted, for example, that the World Bank opposes it. As a matter of fact, the United States is putting up most of the money for the Indus Basin project.

If cargo preference statutes are to be waived in this kind of a case, it will set a very dangerous precedent. It will also strike a body blow to our merchant marine and maritime policy.

The State Department does not claim that a waiver is necessary, but vaguely suggests that the waiver might be desirable in the future.

Under Secretary Dillon went beyond this view and stated definitely that the Department did not foresee the need of this authority in the near future.

Furthermore, the Secretary stated that the Department expected to be able to compensate within the regular mutual security program for the required proportion of the tonnage derived from implementation of the Indus Basin project.

It is clear, then, if this adjustment could be made by the Department, a waiver is not needed at this time.

Moreover, the obvious result of such waiver authority might well be construed to relieve the Department from its duty to compensate under its own program.

In view of these uncertainties and the threat to the merchant marine, I think that the language such as proposed by the gentleman should definitely be incorporated in this bill.

In fact, the best result from a legal, as well as an administrative, standpoint might be by striking out this unnecessary waiver authority.

If we do not follow that course, we should certainly adopt this amendment, which will specifically require the kind of compensating administration under the law which Congress has provided.

I cannot see any objection to this amendment because it would merely write into the bill the requirement to do what the State Department has advised us it plans to do anyway.

Let us not put further penalties on our merchant marine. I think it is the overwhelming wish of this Congress to support, sustain, and protect the merchant marine and we should not hesitate to do it.

Mr. Chairman, I hope that the amendment will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. GEORGE P. MILLER].

The amendment was agreed to.

Mr. MURPHY. Mr. Chairman, I move to strike out the last word.

(Mr. MURPHY asked and was given permission to revise and extend his remarks.)

Mr. MURPHY. Mr. Chairman, by the end of 1960 the political map of Africa will be so changed that it will be difficult for anyone to differentiate between the dependent areas and the independent countries created since World War II. Between now and October there will be at least four more independent countries—Togo, Congo, Somali, and Nigeria. Negotiations now under way with France may result in independence during this year for the Federation of Mali—Senegal and Sudan—and the Malagasy Republic—Madagascar.

Africa, as we see it today, is a land where everything is happening at once—equality and racism, colonialism and nationalism, constitutional struggles, endless quest for economic and social advancement, civil strife, and the conflict between democracy and communism. The swift pace of political developments on the African scene is the pressing need for accelerating the sluggish rate of economic growth and improving living standards. Africa's economic and social structures are not developing at a pace comparable to its political evolution. It is essential that the pace of economic development match, or at least not fall further behind, the rate of political change now sweeping the African Continent.

Very few of the emerging countries are economically viable and their leaders very quickly recognize the importance of economic development and a higher standards of living as necessities to sustain their political independence. Countries are becoming politically independent without adequately trained leadership and technical skills and without the basic economic and social institutions and systems which provide the foundation for secure, confident African-led nations.

The forces of international communism are fully aware of the opportunities presented to exploit the nationalistic movement in Africa for their own political ends. They have been doing so at an increasing rate, covertly through their usual methods, and overtly through rather massive economic and technical assistance in chosen areas. The record indicates that through and by the stability and good sense of the African people themselves, communism has not gained a significant foothold on the continent. There is convincing evidence that the Africans who have but recently freed themselves of foreign control will not, except by force, permit themselves to come under a new domination alien to them in every sense of the word. There are many indications that the African peoples and leaders will be vigilant and uncompromising in rejection of all political subversion masquerading as friendship and assistance.

The United States has great ties with Africa of a more tangible kind. About one-tenth of our population has its origin in Africa. We have, therefore, a special interest in events in Africa, an interest, however, which is by no means confined to those of our population who had their origin on that continent and who have contributed so much to our culture and its expression. Our governmental and cultural relationships with Africa are of long standing. We can look forward to the future for a firm understanding and cordial relations between the peoples of the United States and Africa.

Africa is now receiving over $500 million annually from European countries for major development projects. Increasing amounts of technical and other forms of assistance are coming from a number of private organizations. A number of U.S. foundations are making important contributions in a number of fields. The United Nations, through its technical assistance program and its special fund, is stepping up its assistance to this continent. The Export-Import Bank has already made substantial loans to Africa and has indicated it expects to increase its activity. The International Bank for Reconstruction and Development—IBRD—now has in progress a number of country and project economic surveys which should lead to more loans to Africa, in addition to those already made.

The total economic aid in this year's program for Africa will be $115 million for special assistance, plus $24.3 million for technical cooperation. We are hopeful that this amount will be increased in the future when the results in economic development are visible. Both African and outside observers agree that for a long time to come the principal assistance required by the emerging states is, first, education and training, and, second, development assistance, which includes private investment and public financing.

The United States has but lately become involved in providing a share of the educational, technical, and development assistance so urgently needed in Africa. In the cultural exchange field there are now more than 1,700 African students in the United States. Next year our Government hopes to finance 500 educational exchanges, 400 of them to bring Africans to this country, 100 for American teachers, professors, and specialists to work on the African Continent.

These are good beginnings, but they are not good enough. As the most materially favored nation in the free world, we must accept a larger responsibility in meeting this challenge. We are called upon to play a new and a more positive role in responding to the needs of these countries and in sharing with them our human and material resources. The peoples of the African Continent are looking to the United States to see how it will respond to their needs and problems. Our answer to their needs shall not be found wanting.

Mr. WOLF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLF: On page 9, immediately below line 7, insert the following:

"(m) Add the following new section at the end of such title IV:

"'SEC. 422. FOOD AND FIBER FOR ECONOMIC DEVELOPMENT THROUGH THE UNITED NATIONS.—(a) The President is authorized during the ten-year period which begins on the date of enactment of this section upon request by the Secretary General of the United Nations to furnish, without charge, to the United Nations or to any agency thereof, from stocks of the Commodity Credit Corporation, commodities which are surplus, as determined by the Secretary of Agriculture. In making such commodities available to the United Nations or any of its appropriate agencies, the United States shall enter into agreements with the United Nations or any of its appropriate agencies providing that—

"'(1) such commodities shall be used in underdeveloped areas to further (A) industrialization and basic capital improvements including (but not limited to) community development projects, harbors, roads, canals,

bridges, schools, dams, and the like; (B) education and educational programs including (but not limited to) school lunch and school clothing programs; (C) national food and fiber reserves;

"'(2) the United States will pay the costs of transportation of such commodities to ports of debarkation;

"'(3) such commodities shall not replace in the countries of use the usual domestic production or imports of the same or similar commodities;

"'(4) such commodities shall be used solely for domestic consumption in the country to which exported, and shall not be reexported nor shall such commodities be used to replace commercial exports from the United States;

"'(5) the President through the United States mission to the United Nations shall be kept fully informed with respect to the activities made possible by, and uses made of, commodities furnished by the United States under such agreements, and with respect to whether or not the objectives of the United Nations are being carried out through the programs undertaken pursuant to this section.

"'(b) Agreements shall not be entered into under this section which will call for the furnishings in any calendar year of agricultural commodities representing an investment by the Commodity Credit Corporation in excess of $250,000,000.

"'(c) The President is authorized to cooperate with the Secretary General of the United Nations in bilateral and multilateral operations with other member nations of the United Nations that wish to further their own economic well-being and the objectives of the United Nations through the contribution or use of surplus foods and fibers.'"

Mr. JUDD. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. JUDD. Mr. Chairman, I make a point of order against the amendment.

Mr. Chairman, this amendment has great appeal and we understand and laud its objectives. Everyone wishes that it were possible to get more of our bountiful surpluses of food and fiber into the hands of people who need them, without disrupting world trade, and so on. But after a careful reading of the amendment, it seems to me that it is outside the scope of this bill and outside the jurisdiction of the Committee on Foreign Affairs.

This amendment authorizes the President to furnish without charge commodities from stocks of the Commodity Credit Corporation, an agency which is certainly not under the jurisdiction of the Committee on Foreign Affairs—stocks which are surplus as determined by the Secretary of Agriculture. It places additional duties on the Secretary of Agriculture which it is not within the authority of this committee to establish.

The amendment raises the question also of just how this proposed relationship with the U.N. would work out. For instance, it says:

The President through the U.S. mission to the U.N. shall be kept fully informed.

That would seem to be almost an order to the Secretary-General and the staff of the U.N. to make information available to our President. I doubt whether this Congress is in a position to pass legislation giving instructions of that sort to the U.N.

So, while everybody approves wholly of the objectives, I reluctantly feel I must make a point of order against the amendment.

The CHAIRMAN. Does the gentleman from Iowa desire to be heard on the point of order?

Mr. WOLF. I do, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman briefly.

Mr. WOLF. Mr. Chairman, I thank the gentleman from Minnesota for raising the point of order because I think it is important that this point of order should be raised.

The CHAIRMAN. The Chair recognized the gentleman to address himself to the point of order. The Chair will hear the gentleman on the question of germaneness.

Mr. CARNAHAN. Mr. Chairman, I would like to ask the gentleman from Minnesota if he would reserve his point of order. We would like to hear what the gentleman from Iowa has to say.

Mr. JUDD. That is all right; I will reserve the point of order.

The CHAIRMAN. The Chair has not ruled. Does the gentleman reserve his point of order?

Mr. JUDD. I reserve the point of order.

Mr. WOLF. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

(Mr. WOLF asked and was given permission to revise and extend his remarks.)

Mr. WOLF. Mr. Chairman, I would like to say before I begin that I am grateful for the cooperation and consideration that has been given to me by the chairman of the Committee on Foreign Affairs, and for the consideration and support that has been given me in working out the details of this amendment.

I do not wish to yield until I have completed my statement. I feel my position very strongly. But I would be happy to yield for any questions when finished.

Mr. Chairman, this is a food-for-peace amendment, which is in keeping with the purpose and objective of the Mutual Security Act to assist in stabilizing economies, to promote the use of the greatest asset of the United States, and to help eliminate famines and hunger in ways that will promote economic development.

This is permissive legislation; this is not mandatory legislation. We are making it possible for the United Nations to act.

I want to state that the President of the United States in his state of the Union message recommended and asked for a food-for-peace program. In fact, after much pressure, he has appointed Mr. Don Paarlberg as Food-for-Peace Coordinator.

There is no question that in many of the underdeveloped countries the rate of progress which our technical aid would make possible would be accelerated if the underfed peoples could be assured of adequate diets.

Lack of food and clothing undermines the health, welfare, and morale of people. When adequate supplies of food do not exist, it is impossible for people to divert their productive efforts for any purpose other than the obtaining of sufficient food and fiber. Hence, these community and education improvements cannot take place.

Now, what does this amendment do?

Section 422, Food and Fiber for Economic Development Through the United Nations, says that the President is authorized during a 10-year period upon request by the Secretary General of the United Nations to furnish without charge to the United Nations or to any agency thereof. We are not saying the President must do anything. We are saying if the U.N. requests food and fiber we will make it available.

It is also provided that such commodities shall be used in underdeveloped areas to further industrialization and basic capital improvements including canals, bridges, and schools, dams, and the like, education and educational programs including, but not limited to school lunch and school clothing programs, and the national food and fiber reserves.

I would like to accentuate this matter of the schools.

This is one of the areas we are principally interested in so far as underdeveloped countries are concerned. We must develop their school systems, and I want to congratulate the gentleman from Minnesota [Mr. JUDD] for his statement of yesterday in reference to schools and helping the education programs of these people. This will assist these children and adults attending school to get both food and clothing.

Such commodities shall be used solely for domestic consumption in the country to which exported, and shall not be reexported, nor shall such commodities be used to replace commercial exports from the United States; also such commodities shall not replace in the countries of use the usual domestic production or imports of the same or similar commodities.

To those who have stated that this will interfere with the balance of trade, let me say that it will not. We are asking the United Nations to help plan this program. We have a surplus and we want them to work with us in getting it to the needy without competition and without harm to world markets.

It also is stated here that the President through the United Nations mission to the United Nations shall be kept fully informed with respect to the activities made possible by, and uses made of, commodities furnished by the United States under such agreements, and with respect to whether or not the objectives of the United Nations are being carried out through the programs undertaken pursuant to this section.

If we are not satisfied we can withdraw the program. This is permissive legislation, it is not mandatory.

I was pleased with the comments of the gentleman from Minnesota when he said he was in favor of multilateral or-

ganizations and in favor of working with multilateral organizations just now. He made a fine speech on behalf of my proposition and I thank the gentleman.

On March 25, 1960, I received a letter from Martin Hill, Deputy Under Secretary for Economic and Social Affairs of the United Nations, after I made several trips up there at my own expense to talk to their leaders and the heads of various departments of the United Nations. I quote the following from this letter:

We were glad to see that you have taken into account the constitutional and procedural considerations affecting the United Nations which we brought to your attention during your visit here last month. The revised text of the proposal should not, in our opinion, raise any difficulties on such grounds.

Why the U.N. rather than on a strict bilateral basis?

Today many of the underdeveloped nations of the world look to the United Nations as their protector, as their hope for peace and security. They look to the United Nations because they owe a large degree of their sovereignty and independence to the United Nations.

By proposing an expanded economic industrial development program for the United Nations which will have as one of its basic features part of our agricultural resources we will have done much to prove our hope that people all over the world may live in dignity and enjoy freedom from want. Furthermore, we will be showing the world that we hold the United Nations as a great instrument for peace and security in this world.

During the debate last year my colleague the gentleman from Utah [Mr. KING] made an excellent statement which I would like to read in part:

Mr. KING of Utah. Mr. Chairman, I rise in support of the amendment. This is one of the very rare occasions in which the liberal and the conservative may join hands firmly and sincerely in the support of legislation which represents the best interests of each.

The surplus-reduction program proposed in this amendment promises to alleviate one of the most perplexing and distressing problems in the American economy, the problem of our vast and growing agricultural surpluses.

It also promises to alleviate the most pressing social problem on the globe. This problem is starvation.

The latter makes the liberal's duty on this legislation very clear. The liberal measures legislative values invariably, though not exclusively, by social and human need. His senses of justice and morality are shocked by the very existence of food and fiber surpluses in a world which leaves a majority of its population inadequately clothed and poorly fed. And his same senses are shocked in the extreme by the knowledge that these surpluses rot in storage bins while many nations find economic and social progress impossible simply because their energies are wholly consumed in the quest for the food and fiber they must have to survive.

My friend the gentleman from Utah [Mr. KING] goes on to say:

But I am equally certain the conservative, whose creed stresses fiscal solvency and whose political instincts seek the economic justification in every legislative measure, also sees the merit of the bill.

Our surpluses are now so vast that their storage is a heavy economic burden.

I would like to anticipate some of the questions that I expect will be asked.

What is the difference between this program and Public Law 480?

Public Law 480 is a good program as far as it goes, but it was only a beginning. I, frankly, feel that we must do more. Public Law 480 from its very inception was a dumping program. We could use high class language, but in the final analysis, it is a dumping program. This program does not give food and fiber for charity alone. This program creates a sense of responsibility. The recipient country must demonstrate its desire to improve its own economic well-being in order to get the commodities. Further, this program is not extended to any country unless that country exhibits a desire to create some economic development project.

Why the U.N.? Why not a strictly bilateral program?

I can answer this question in two parts: First, one of the main arguments used by those who have consistently opposed a food for peace program is that it would interfere with normal channels of trade. By working through the U.N. we take these competing nations and they sit down together and plan the procedure by which these commodities will be made available. This will obviously eliminate the friction and competition which would otherwise exist on a straight bilateral approach. This has been consistently demonstrated to be one of the real pitfalls in Public Law 480.

Secondly, I would like to point out, and perhaps the most important point brought out when I discussed this program with the gentlemen in the economic section of the U.N., they believe that by our leading, we can encourage other nations with surplus resources to begin to put food and other surplus resources together collectively through the U.N. to further increase the program. This is just another method by which we can shift the burden, at least in part, to other countries with surpluses. I am thinking of countries like Australia—with wheat and meat surpluses—Argentina, France, and other northern European countries, and Canada, just to name a few.

Will not this create competition for our own industries?

The aid to be provided under this bill is to foster educational projects and community development projects. We believe this will increase the standard of living in the recipient country thus creating a demand locally for any increased output. And again we still have the power to stop the program if this should become a problem.

Why should we pay transportation costs for these commodities? If the nations want them, why should they not pay transportation?

It is costing us much more to hold these commodities here in storage bins, and they are doing no one any good. It is simply a question of cost analysis. Over a 10-year period we can save $1,540 million in storage costs alone. Our transportation cost to the farthest point in the world would be only $400 million. Second, we are making these commodities available to countries who want to help themselves. We have the vessels available. The recipient countries do not have vessels available. Neither do they have the money to pay for vessels or transportation. Neither does the U.N. have the money to pay the transportation. The only way these commodities will ever leave our shores is in this manner.

If the U.N. handles this program, will not Russia get her hands into the program?

If the program should get out of hand, the President has the power to stop the program.

What about charity at home? Why do not we use these commodities for the needy at home?

I have been doing everything I can to get more of our surplus commodities used here. I have introduced a bill to accomplish this purpose and will pursue it with all my ability.

What is the administration doing about food for peace now?

I understand that just a few days ago the President appointed Don Paarlberg as Food for Peace Administrator. I am very anxious that this man who will make approximately $20,000 a year will have something to administer. My program would give him something to do.

Why were not hearings held on this amendment?

I would like to state that public hearings have been held on the floor of Congress at the time I introduced this amendment with 27 cosponsors. We had a general debate on this proposal.

At the U.N. it was discussed with the leadership there for literally days.

The proposal was discussed at the World Food and Agriculture Organization where I went specifically to discuss ways to implement this program.

Last year the amendment was offered during the debate on the mutual security program, just as it is being offered today, and at that time there was strong support and a clear understanding of what this amendment would do. Hardly a day passes without some prominent Government leader mentioning the desirability of such a program. The President himself every few days has something to say about the value of food for peace both at home and in his many travels abroad. I think adequate hearings have been held before the American people and before the Congress on the need of a food for peace program.

Mr. Chairman, the hungry of the world cry out to us in their need. They are aware, our enemies have seen to that, that we have these bulging warehouses full of food and our apparent reluctance to share fully our abundance. We must expand greatly and soon our program of food distribution. Christian charity and humanitarianism demand this of us. Let us demonstrate to the needy of the world our desire to raise them up by adopting this amendment.

Mr. BREEDING. Mr. Chairman, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from Kansas.

Mr. BREEDING. Mr. Chairman, I want to compliment the gentleman from Iowa for the very fine statement that he has made.

Mr. WOLF. I thank the gentleman for his kind words but also for his many tireless hours of work in support of the whole food-for-peace program. I am proud to be associated with him in this venture.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WOLF. I am glad to yield to the gentleman.

Mr. JOHNSON of Colorado. Mr. Chairman, I want to compliment the gentleman from Iowa on the amendment. I support the amendment. There is no form of capital that we can more easily make available. There is no form of capital that would be more welcome abroad. There is no form of foreign aid that we can give that we can be more sure will actually help the peoples of the world. There is no form in which aid can be given that would be better than the 10-year program against the year-to-year program under which we have been operating. I think this is an excellent amendment; I hope it will be approved by the committee.

Mr. WOLF. I thank my friend from Colorado for his very helpful statement.

Mr. BREEDING. Mr. Chairman, I have in the past joined several of my colleagues in introducing food-for-peace legislation. As the gentleman from Iowa [Mr. WOLF] has told you, this legislation would authorize the United States to make surplus agricultural commodities available to the United Nations for distribution to nations throughout the world.

To me, this legislation makes good sense. I want to put our surplus agricultural commodities to work. And I can think of no better way to do this than by putting them to work in behalf of a lasting world peace.

It is difficult for us in the United States, where over-production by farmers is a constant problem, to realize that in many areas of the world people are constantly faced with a shortage of food. Many nations are hard pressed to meet the day to day food requirements of their people. They do not have large reserve stocks to pick up the slack in the event of droughts, floods or other natural disasters which curtail production.

There should be an internationally created food reserve upon which nations which suffer temporary shortages could call for help.

I am sure, Mr. Chairman, that other nations of the world would join the United States in making food and fiber available to this food reserve.

Communism thrives on the difficulties of other people. Communists are quick to exploit temporary food shortages and other natural disasters. Russia could be expected to oppose, in the United Nations, the creation of any international food reserve, for they know if food is available for nations to use, if and when disaster strikes, that one area for exploitation will be closed to them.

Passage of legislation such as we have proposed today will demonstrate once more to the world the dedication of the United States to the ideal of peace. Once more, we will say to the world, "When you are in trouble, share in our abundance."

Millions of people throughout the world look to the United States for leadership today. Whether we like it or not, we cannot escape our role as leaders in the free world. Enlightened self-interest demands that we do all we can to help other nations become economically strong. People who are convinced that their economic self-interest will best be served under a democratic form of government will have little, if any, sympathy for Communist propaganda.

Mr. Chairman, I hope that the House will give careful and sympathetic consideration to this legislation. By agreeing to make surplus commodities valued at $250 million available annually to the United Nations over a 10-year period, we will not only be taking a step that will greatly strengthen our foreign policy, but will also be acting to solve the surplus commodity problem for this country.

There can be no doubt that until the present large surpluses are worked off, we cannot really get down to the task of writing a farm program that will be fair to the farmers and will operate at a minimum cost to the taxpayers.

But bear in mind that this is not primarily surplus disposal legislation. First of all, it would be a deliberate attempt on our part to use our surpluses to the greatest advantage, to bring help and relief to people anywhere who are in trouble. It would reinforce our present efforts to help peoples and nations help themselves.

This is sound legislation, Mr. Chairman, and I am proud to be among those sponsoring it on the floor today.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. WOLF] has expired.

Does the gentleman from Minnesota [Mr. JUDD] insist on his point of order?

Mr. JUDD. Yes, Mr. Chairman; I believe that this amendment is beyond the scope of this bill and I insist on the point of order.

The CHAIRMAN. The Chair will be glad to hear the gentleman from Iowa [Mr. WOLF] on the point of order.

Mr. WOLF. Mr. Chairman, I refer to page 10146 of the CONGRESSIONAL RECORD of June 18, 1959, where the Chairman, Mr. MILLS, is quoted.

> The gentleman from Iowa [Mr. WOLF] offers an amendment to which the gentleman from New York [Mr. TABER] makes the point of order that is is not germane to the bill before the Committee.
>
> The Chair has had an opportunity to examine the amendment, also the Mutual Security Act of 1954, as amended, particularly title IV thereof, which has to do with special assistance and other programs, and calls attention to the fact that in title IV there is specific mention of surplus agricultural commodities pursuant to the Agricultural Trade, Development, and Assistance Act of 1954.
>
> The Chair feels that this amendment is germane to the bill now before the Committee, and, therefore, overrules the point of order made by the gentleman from New York.

The CHAIRMAN. Does the gentleman from Minnesota wish to say anything further on the point of order?

Mr. JUDD. Yes, Mr. Chairman, just one further word. I realize that this point of order was overruled last year, but it is my understanding that the amendment this year is not in the same form as it was last year.

Mr. WOLF. Mr. Chairman, may I be heard further on that point?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. WOLF. Mr. Chairman, I would like to state that this is a tightened-up version of what we understood we offered last year. If the Chair would like to refer back to the original wording, he will find that it is very similar. We have shortened it up, we have taken out some of the long verbiage, but I am sure that the meaning and the intent are identical.

Mr. JUDD. Mr. Chairman, did not the amendment last year say something about "in order to further implement the foreign policy of the United States as outlined in the Mutual Security Act," or something of that sort?

I have the wording of the amendment now and it began:

> In keeping with the purpose and objective of the Mutual Security Act, to assist in stabilizing economies, to promote the use of the greatest asset of the United States, and to help eliminate famines and hunger in ways that will promote economic development—

And so forth. I thought that the difference made it subject to a point of order this year as contrasted with the decision made last year.

Mr. FULTON. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. FULTON. Mr. Chairman, I believe it is germane because legally, if it is the same subject matter and the same framework of language, that carries the same obligation or the same authority, then the mere statement of intent by the individual submitting the amendment has no effect. So it is germane.

The CHAIRMAN (Mr. MILLS). The Chair is ready to rule.

The gentleman from Iowa [Mr. WOLF] offers an amendment to which the gentleman from Minnesota [Mr. JUDD] raises a point of order.

The Chair has had an opportunity to examine the context and purpose of the amendment offered by the gentleman from Iowa.

As the gentleman from Pennsylvania [Mr. FULTON] points out, it is the opinion of the Chair that the overall objective and purpose of the amendment is the overall objective and purpose of the amendment offered by the gentleman to the bill pending before the Committee last year. The gentleman from Iowa has referred to the language of the Chair at that time in concluding that the amendment then was germane to the legislation pending. The Chair feels that this language is germane to the bill that is pending before the Committee at this time and therefore overrules the point of order made by the gentleman from Minnesota.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I realize that the gentleman from Iowa has a great humane interest in this amendment and I commend him for it. But this amendment proposes to find further uses for farm surpluses. It deals with the same general area as does Public Law 480, but uses the UN to dispose of the surpluses. I think there are 11 bills now pending before the great Committee on Agriculture on this very issue.

I think the Committee on Agriculture has jurisdiction over this type of bill. I believe it should have consideration by that committee. This amendment completely bypasses the Committee on Agriculture.

Another thing, this is going to dump a lot of our surpluses all over the world. Many nations survive by food production and will have to meet this competition of free food. We have to use great care or we will do more harm than good. I have a great deal of interest in feeding hungry people, but I do not think this amendment will do the job. The United Nations has no machinery to start utilizing this great amount of surplus food that will be involved. I note that the gentleman puts restrictions in his amendment to make it depend on a request from the Secretary of the United Nations to the President of the United States before it becomes operative. I am afraid it will encourage the setting up of a lot of jobs for United Nations bureaucrats. I do not think this amendment will do the job as the gentleman wishes.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Iowa.

Mr. WOLF. With all due respect to my distinguished chairman, I should like to point out that I received a letter from the Deputy Under Secretary stating that they have no restrictions on this amendment and there are no problems dealing with this amendment. I am sure, with all due respect to my distinguished chairman, that they know their business well enough to inform me if this is not correct.

Mr. MORGAN. I read the letter, which the gentleman furnished to me, that he had received from the United Nations, but I think that letter is from a minor official who did not speak officially in a manner that would be binding on the United Nations.

Mr. WOLF. With all due respect to the good doctor, at meetings that I attended at the United Nations the very top leaders were there, with the exception of Dag Hammarskjold himself, on several occasions. While this man wrote in his own behalf, he wrote as the Deputy Under Secretary for Economic Affairs. I think in his capacity he was entiled to know his position.

Mr. MORGAN. Yes; I realize it is the Deputy Under Secretary for Economic and Social Affairs, but I think such a modest expression of approval does not constitute complete United Nations approval of this type of program. I favor this type of program if it is handled right, but I do not think the mutual security bill is the place for it.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Iowa.

Mr. GROSS. I quarrel with it from the administrative standpoint. The United Nations has made such a howling failure in every crisis it has faced that I would not want to trust it to administer a program of this kind.

Mr. MEYER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of this amendment because I think "food for peace" can be added successfully to the mutual security program, the foreign aid program, if anything can. When food is here in storage and costing us money it is not doing the United States any good.

I also would like to say in connection with the deliberations of the Committee on Foreign Affairs that last year I offerred a similar amendment. At the time the discussion went briefly to the effect that we had not had time to consider this measure thoroughly. Therefore, I withdrew the amendment. I would have thought that in the intervening year there could have ben time to consider it more thoroughly. Last year there were no objections raised to the amendment other than on the technical grounds that the committee had not had time to consider and think about it. I should think that in the passage of a year we could have had that time. This most constructive proposal should be considered seriously now. We can do a lot of good with it. I cannot see any harm that would come from utilizing its good features. Therefore, I wish to support this amendment strongly.

Mr. DINGELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DINGELL to the amendment offered by Mr. WOLF: After the period at the end add a new sentence as follows: "*Provided further,* That no food or fiber products shall be donated or shipped abroad under provisions of this section which are not available through domestic programs to assist needy persons within the United States, and unless the Secretary of Agriculture shall have so certified prior to such shipment or donation."

Mr. DINGELL. Mr. Chairman, as my colleagues in this body are well aware, for a number of years I have been very critical about the distribution of foodstuff surplus to our needs in this country under Public Law 480. The Secretary of Agriculture has shipped abroad, edible oils like butter, margarine and cottonseed oil. He has shipped fruits and vegetables and canned meats, hams, and hamburgers. He has shipped abroad fresh and frozen and dried vegetables—fruits, canned and frozen, juices of various kinds and any number of other substances which have been denied to our people at home. Each time I have made this complaint, very little has come of it except that there has come up to this Hill a denial from the Department of Agriculture.

Mr. Chairman, the function of this amendment is very simple. It is to assure that if there is another foreign give-away program established that at least we will remember the simple axiom that charity begins at home, and see to it that the fruits of the labor of our taxpayers and the surplus commodities of our farms are given away to our own people at home first, and then are given away as they should rightly and properly be given away abroad to our suffering fellow humans.

I point out again that on many occasions I have visited with high officers of the Department of Agriculture and I have engaged in lengthy correspondence with them, and urged them to make available the fruits and fiber and vegetables and produce of our soil and farms to our people at home first, and then to give them away under these foreign give-away programs next.

Mr. Chairman, I come from a district which has a substantial number of needy people. There are other districts which have the same pocketbook problems that face the people of my district full of people who have need of these things, and who exist on a less than adequate diet. The function of this amendment to the amendment is very simple. It is to guarantee that if this food is to be given away abroad that first claim shall rest with the people of the United States.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just want to speak for a few minutes to point out a couple of facts with respect to the distribution of food throughout the world. I have in my hand copy of a hearing held on January 28, 1960, in which the Secretary of Agriculture or his deputy agreed with the Secretary of State on the rate of distribution of these products and their sales to foreign countries. They said they did not think wheat could be sold in any greater quantity than it is at the present time even though ample authority and laws to promote such sales does exist. They agreed on this rate of distribution and sales. I point this out for this reason. It takes more than law—it takes a change of administration, if we are going to push this kind of program. I am for this increasing world consumption of food. But, I think the only way we can have a change of administration of world food distribution this year is by a program operated through the United Nations. I know we are not going to get it through this administration in Washington because the Secretary of Agriculture and the Secretary of State are in agreement that the rate we are pushing wheat now is the greatest that we should push it despite the fact that Russia is constantly gaining in their percentage of the world wheat market.

Mr. JUDD. Mr. Chairman, I rise in opposition to the amendment.

Nobody likes to oppose something that is designed to help feed needy people. But that is not as simple or easy to do as it may sound. Near the end of World War II we adopted what was called UNRRA. That was for relief and rehabilitation and also under the U.N. We appropriated $3¾ billion to provide

food, clothing, and all sorts of aid for hungry and needy people around the world. At that time many of us raised this same question as to just how it was to be administered. If it was to be administered by the International Red Cross, as after World War I, in such a way that the aid would certainly get to the people who needed it, it was one thing; if it was to be given to and through existing governments, including Communist puppet regimes being established in Europe and Asia, then it could become a weapon to defeat the objectives we had in mind. The latter course was adopted, and UNNRA became such a scandal that there was a terrible revulsion against it.

Food can be the most powerful political weapon in the world. Many a man who will stand up and face a machine-gun himself, will waver if he finds that the only way he can get food for his children is by signing on the Communist dotted line. Our food helped entrench the Communist tyrannies in Eastern Europe. This proposal today could be loaded with the same dynamite—no one can be sure.

I commend the purposes of the gentleman from Iowa, but in proposing to turn so vast a program over to an organization, the United Nations, which has no administrative machinery for handling such a complicated operation, we could be turning over our food to help tyrants in the world hold down the people under them by giving food only to those who are willing to bow down before them. It could help defeat their own efforts to weaken and pull down from within their present oppressors.

This proposal must be given much more careful study and consideration before we adopt it. From the very standpoint of seeking to accomplish the praiseworthy thing that the gentleman from Iowa and all of us have in mind, we should vote this amendment down and let the matter come up before the Committee on Agriculture, where it can be studied fully and in consultations with the responsible top officials of the United Nations. Then we can vote for something based not only on good will, hope, and prayer, but on plans and arrangements that are solid and give greater chance of succeeding.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. JUDD] has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. DINGELL] to the amendment offered by the gentleman from Iowa [Mr. WOLF].

The amendment to the amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Iowa [Mr. WOLF].

The question was taken, and on a division (demanded by Mr. WOLF) there were—ayes 46, noes 93.

Mr. WOLF. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment was rejected.

The Clerk read as follows:

CHAPTER III—CONTINGENCY FUND

SEC. 301. Section 451(b) of the Mutual Security Act of 1954, as amended, which relates to the President's special authority and contingency fund, is amended by striking out "1960" and "$155,000,000" in the first sentence and substituting "1961" and "$100,000,000", respectively.

CHAPTER IV—GENERAL AND ADMINISTRATIVE PROVISIONS

SEC. 401. Chapter IV of the Mutual Security Act of 1954, as amended, which relates to general and administrative provisions, is amended as follows:

(a) Section 504(d), which relates to small machine tools and other industrial equipment, is repealed.

(b) In section 505(a), which relates to loan assistance and sales, insert after the first sentence the following new sentence: "Commodities, equipment, and materials transferred to the United States as repayment may be used for assistance authorized by this Act, other than title II of chapter II, in accordance with the provisions of this Act applicable to the furnishing of such assistance.".

(c) In section 513, which relates to notice to legislative committees, insert before ", and copies" in the last sentence the following: "and under the last clause of the second sentence of section 404".

(d) Amend section 517, which relates to completion of plans and cost estimates, as follows:

(1) Insert "(a)" immediately after "SEC. 517. COMPLETION OF PLANS AND COST ESTIMATES.—".

(2) Add the following at the end of such section:

"(b) All nonmilitary flood control, reclamation and other water and related land resource programs or projects proposed for construction under title I, II, or III (except section 306) of chapter II, under section 400, or under section 451 of this Act, shall be examined by qualified engineers, financed under this Act, in accordance with the general procedures prescribed in circular A–47 of the Bureau of the Budget, dated December 31, 1952, for flood control, reclamation and other water and related land resource programs and projects proposed for construction within the continental limits of the United States of America. In all cases the benefits and costs shall be determined, and a copy of the determination shall be submitted to the Speaker of the House of Representatives and the Foreign Relations Committee and the Appropriations Committee of the Senate. No such program or project shall be undertaken on which the benefits do not exceed the costs and which does not otherwise meet the standards and criteria used in determining the feasibility of flood control, reclamation, and other water and related land resource programs and projects proposed for construction within the continental limits of the United States of America as per circular A–47 of the Bureau of the Budget, dated December 31, 1952."

(e) Amend section 527, which relates to employment of personnel, as follows:

(1) In subsection (b), which relates to employment of personnel in the United States, strike out "seventy" and "forty-five" in the first sentence and substitute "seventy-four" and "forty-nine", respectively.

(2) In subsection (c), which relates to employment of personnel outside the United States, strike out "Director" in the introductory clause and substitute "President"; and insert before the period at the end of paragraph (2) the following new proviso: ": *Provided further*, That Foreign Service Reserve Officers appointed or assigned pursuant to this paragraph shall receive in-class promotions in accordance with such regulations as the President may prescribe".

(3) In subsection (d), which relates to appointment of alien employees outside the United States, strike out ", at the request of the Director,".

(f) Section 531, which relates to security clearance, is amended to read as follows:

"SEC. 531. SECURITY CLEARANCE.—The standards and procedures set forth in Executive Order Numbered 10450, as amended or supplemented, shall apply to the employment under this Act by any agency administering nonmilitary assistance of any citizen or resident of the United States."

(g) In subsection (c) of section 533A, relating to the Inspector General and Comptroller, strike out paragraph (9) and renumber paragraphs (10) and (11) as paragraphs (9) and (10), respectively.

(h) In section 534(a), which relates to reports, strike out "six months" in the first sentence and substitute "fiscal year".

(i) In section 537(a), which relates to provisions on uses of funds, amend paragraph (3) to read as follows: "(3) contracting with individuals for personal services abroad: *Provided*, That such individuals shall not be regarded as employees of the United States for the purpose of any law administered by the Civil Service Commission;".

(j) In section 537(c), which relates to construction or acquisition of facilities abroad, strike out "$2,750,000" and substitute "$4,250,000".

(k) Add the following new section immediately after section 551:

"SEC. 552. ASSISTANCE TO CUBA.—No assistance shall be furnished under this Act to Cuba after the date of enactment of the Mutual Security Act of 1960 unless the President determines that such assistance is in the national and hemispheric interest of the United States."

PROGRAM FOR BALANCE OF WEEK AND FOR WEEK OF APRIL 25

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask the majority leader if at this time he can advise us of the program for the balance of this week and for next week.

Mr. McCORMACK. If this bill is disposed of today, there is no further business for the remainder of the week.

As to the program for next week:

Monday there will be a joint meeting of the two Houses of Congress to receive the distinguished and outstanding President of France, General De Gaulle. While next Monday is District Day there is no business on the District Calendar.

Tuesday: At the present time Tuesday is undetermined. Of course, there are two primaries on Tuesday, Pennsylvania and Massachusetts. I see nothing for either Monday or Tuesday now.

Wednesday and Thursday: H.R. 10231, the Emergency Home Ownership Housing Act.

Thursday there will be another joint meeting to receive a distinguished visitor to our country, the King of Nepal.

Friday and Saturday are undetermined.

I make the usual reservation that any further program will be announced later, and that conference reports may be called up at any time.

Mr. DAVIS of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Georgia: Page 11, line 15, strike the words "forty-five" and in line 16, strike out the words "and forty-nine, respectively."

Mr. DAVIS of Georgia. Mr. Chairman, I offer this amendment because of a conflict in jurisdiction of this committee and the House Post Office and Civil Service Committee, of which I am a member. The subparagraph on page 11,

beginning with line 11 and ending with line 16, provides for adding eight positions. Four of these positions are above the classified positions of our Civil Service Act. Four of them are supergrades which come within the Classification Act. My amendment would eliminate these four supergrade positions which properly belong under the jurisdiction of the Post Office and Civil Service Committee.

Prior to 1949 the grades in the classified civil service ran from 1 to 15. In 1949 the House Post Office and Civil Service Committee reported a bill creating 400 supergrade positions; that is, positions in grades 16, 17, and 18.

These positions were created because the agencies called on Congress to provide some supergrade positions in which to place employees of the intelligence necessary to properly supervise the activities of the agencies.

Pursuant to that need, which the House Post Office and Civil Service Committee recognized and Congress recognized, there were created that year 400 of these supergrade positions, grades 16, 17, and 18.

In the time since the program was first begun, these supergrade positions have just mushroomed. The agencies have besieged our committee constantly to give them more supergrade positions. We did give supergrade positions to them, as they are justified, and the fact we have increased the number from 400 in 1949 to 2,075 this year indicates that we have recognized the need for them and that we grant them when they are justified.

I want to say that we cannot control this matter of holding down the number of these positions unless the other committees of the House leave it in our hands and let us hold hearings and let these agencies come before us and justify these positions. If they do that, we give these positions to them. The fact that the number has been increased to 2,075 from 400 demonstrates that we have done just that.

In addition to that, the Congress has also created 275 positions under Public Law 313 of a scientific nature which also are above the old level of grade 15. These scientific and professional positions have a salary limit of $19,000 a year. The number is 275. Our committee also has jurisdiction over the creation of those positions.

I am offering this amendment because we cannot hold this thing down if other committees are going to reach out and grant these supergrade positions every time some agency asks for them. I realize, as you do, that the floor of the House is not the place to write legislation; but I am not a member of the Committee on Foreign Affairs and I knew nothing of this until the bill and committee report came out. So at the first opportunity I am calling it to the attention of the House and I am urging as strongly as I can that these supergrade positions ought to be deleted from this bill. Let the agency come before the Manpower Utilization Subcommittee of the Committee on Post Office and Civil Service and justify them.

Mr. MURRAY. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Tennessee.

Mr. MURRAY. I wish to heartily endorse the statement of the gentleman from Georgia, who is a member of the Committee on Post Office and Civil Service of which I have the honor of being chairman. This matter of supergrades should rest entirely with the Post Office and Civil Service Committee. Our committee has never been consulted about this; is that correct?

Mr. DAVIS of Georgia. That is correct. I knew nothing about it until I read the bill and the amendment.

Mr. WALLHAUSER. Mr. Chairman, I support the amendment offered by the distinguished gentleman from Georgia [Mr. DAVIS]. The Post Office and Civil Service Committee will be unable to properly evaluate the need for the establishment of various positions unless every agency is required to present its case to that committee. Other committees should, in my opinion, recognize the great care that is shown by the Post Office and Civil Service Committee to hear every request made by the various agencies. One committee should have the jurisdiction in this important matter. I hope that the amendment will be agreed to.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I wish to point out that this section provides for four, not eight, additional supergrades and that the ICA and the Coordinator cannot draw from the Federal pool of supergrades. They are limited to the authority of the Mutual Security Act. Congress has been urging more effective control and coordination and better administration of the mutual security program. If we desire to be consistent, if we desire to see a more effective mutual security program, if we desire to have administration and coordination of the program, it is necessary that we authorize at least four additional supergrades. This section provides four additional supergrades. The department has identified 16 positions that require supergrade employees. Two in the Inspector General and Comptroller's office; two in the Office of the Coordinator; five in the office of DLF; two in the Department of Defense, and six in ICA. They suggested that they could use 16 and agreed upon 8. The committee allowed four. I think that in the light of these facts, it is in the interest of proper operation of the program that the amendment suggested by the distinguished gentleman from Georgia do not prevail.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Iowa.

Mr. GROSS. Why does not this outfit come to the proper legislative committee of the House for these supergrades?

Mr. ZABLOCKI. Because, as I pointed out, they cannot draw from the Federal pool. The Post Office and Civil Service Committee, of which the gentleman from Georgia is a very valuable and distinguished member, does not deal with the personnel for ICA or for the coordinator or for the Development Loan Fund. The ICA and coordinator may use Foreign Service officers. But few are available. Most of them do not have the experience in aid programs or do not have the technical requirements needed. Therefore it is necessary that four additional supergrades are authorized.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the distinguished gentleman from Georgia.

Mr. DAVIS of Georgia. I would like to say to the gentleman that the Committee on Post Office and Civil Service has jurisdiction over supergrades for all agencies, and if we establish a precedent of letting agencies come in in a bill like this and ask for supergrade positions and get them, our control over supergrade positions is gone and we cannot hope to hold that prerogative.

Mr. ZABLOCKI. Does the gentleman from Georgia maintain that his committee acted upon the 74 supergrade positions that have been authorized for the mutual security program in the past?

Mr. DAVIS of Georgia. No. I contend that we should act upon them and to bypass the committee in this way will destroy the control which that committee has over supergrade personnel.

Mr. ZABLOCKI. But we are not bypassing your committee.

Mr. DAVIS of Georgia. Oh, yes.

Mr. ZABLOCKI. I respectfully suggest to the gentleman that we are not.

Mr. DAVIS of Georgia. You referred in your debate here and you also referred in the committee report to supergrade positions, and the act which creates supergrade positions is an act which places that jurisdiction in the Committee on Post Office and Civil Service, and that is the committee which has jurisdiction over supergrade positions.

Mr. ZABLOCKI. That is not my understanding.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Minnesota.

Mr. JUDD. It should be pointed out that if all four of these new positions were filled by outside persons being brought in, the total maximum cost would be $76,000. But very probably some or all of the positions would be filled by promotions within the department, and therefore it could cost as little as $6,000.

Actually, when we are operating all over the world, a program costing several billion dollars, annually, and with the main criticism of it being its alleged inefficiency, bad supervision, waste, and so forth, it seems that this is almost the poorest place to try to economize. The more we want to eliminate whatever is not up to par, the more we ought to go along in an effort to get the best qualified employees to manage it.

Mr. GROSS. Mr. Chairman, I rise in support of the amendment of the gentleman from Georgia. This is not primarily a question of what it costs or does

not cost. This is a question of whether all committees are going to write into bills that come to the floor of the House—appropriation bills and other bills—any numbers of supergrades. As the gentleman from Georgia has so well stated, if that can be done in this bill, there is no reason why it should not be done in every other bill that comes before the House.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am happy to yield.

Mr. TABER. I do not know whether the gentleman has noticed it or not, but there have been many bills coming into this Congress carrying an increase in the number of supergrades. A great many of them have gotten by without the question being raised. If you are going to take away the jurisdiction of the Committee on Post Office and Civil Service, I wonder if the gentleman does not think that is very bad legislative procedure?

Mr. GROSS. Why, of course; that is why I have taken this time. The amendment ought to be adopted and this agency ought to come to the proper legislative committee and justify the neeessity for these supergrade employees.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. REES of Kansas. What disturbs me about the proposal is this. If you are going to do it in this case, then we may have to continue to do it. We have had this trouble all along the line with bills from other committees providing for employees; legislation that is outside their jurisdiction.

I think the amendment ought to be approved.

Mr. GROSS. The gentleman is exactly right. The gentleman I am sure will agree with me that there is no way by which this sort of thing can be controlled unless one committee is made responsible for these supergrades.

Mr. REES of Kansas. That is the view we have always taken.

Mr. MURRAY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield to the Chairman of the House Post Office and Civil Service Committee.

Mr. MURRAY. Is it not true that the Committee on Post Office and Civil Service has not been consulted about these additional supergrades?

Mr. GROSS. That is right.

Mr. MURRAY. That comes under our jurisdiction and certainly we should be consulted about it.

Mr. GROSS. I agree with the gentleman completely.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. DAVIS].

The amendment was agreed to.

Mr. CASEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASEY: On page 13 add a new section immediately after section 552 between lines 9 and 10 as follows:

"SEC. 553. QUALIFICATION FOR ASSISTANCE.—No assistance shall be furnished under this act to any country or nation after the date of enactment of the Mutual Security Act of 1960 unless such country or nation levies and collects from its individual citizens, business associations and corporations taxes in proportion to and on a commensurate basis with the taxes levied by the U.S. Government on its individual citizens, business associations and corporations."

(Mr. CASEY asked and was given permission to revise and extend his remarks.)

Mr. CASEY. Mr. Chairman, we are operating on borrowed money here today. We are talking about giving it and lending it to someone else, but we owe almost $300 billion and I want to make sure that these countries that we do assist are doing all they can, at least equal to what we are doing, for themselves.

I pondered in writing this amendment how I could fix the yardstick. That is the only criticism. But we have some very good economists who are coming out in the papers every month telling us how much the cost of living has gone up, how much it is costing me more to maintain myself, my wife, and my children. They tell me each month that it has gone up one-tenth of 1 percent, or something like that. If they can figure that out that well, I think they can easily figure out whether or not a recipient country, under this act, is bearing its fair share with reference to taxing its own citizens.

I noticed on the ticker yesterday that the Development Loan Fund had just loaned to the India Finance Co. $10 million and the India Finance Co. in turn is going to loan that money to individuals, I presume in India. I do not know what rate of interest they are going to charge, but you know what rate of interest we are paying and you know the pressure there is now to put it up higher. I just want to see that we make sure that these countries are helping themselves.

I notice in the report that we have given aid to Japan in the way of technical assistance to help them step up their production and know-how. That is coming home to roost, too. I got a letter from a constituent the other day. He sent me these two hinges. He is in the hardware business. Look at them. One of them is 25 cents a pair and the other one 17 cents a pair. They are exactly alike. One is made in Japan and the other made in the United States. I know there is a difference in labor costs. There is also, I will bet you, a difference in tax costs. We can tax our citizens and keep giving know-how and assistance to other countries, but if you do you will not have any corporations left over here to tax, because they will move overseas to manufacture these products.

I see nothing wrong with my amendment. I think it is a reasonable request, and I trust that you will see fit to adopt it.

Mr. GALLAGHER. Mr. Chairman, I move to strike out the last word.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. I just want to say that an amendment similar to this was offered last year. An amendment of this kind would destroy the program. Vote for this amendment and you vote against the program.

Mr. GALLAGHER. That is exactly right. It is impossible for these undeveloped nations to tax their people at a rate equal to ours at this stage of their development. It would require financial sophistication of a level which is impossible because of their underdeveloped stage of development. It would also require enforcing facilities equal to the Internal Revenue agency that we ourselves have. Furthermore, as to the $600 exemption that we have in our own laws, the per capita income of the people in most of these countries who need aid is far below the $600 level.

I therefore urge that because of the impossibility of enforcing it and the possibility of this amendment's being applied to the underdeveloped nations we oppose this amendment.

Mr. CASEY. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from Texas.

Mr. CASEY. I do not see anything in that amendment with reference to a $600 exemption or any dollar sign at all. It says in proportion to and commensurate with. I daresay that they would determine it in the case of each individual recipient on the basis of their cost of living, the average income, and what would be commensurate and proportionate. I do not think it would destroy the program at all. It would just make sure they would pay their own way.

Mr. GALLAGHER. We certainly would like them to pay their own way. The point is, it would take many years for them to develop to the point we have, and by that time the need for the program might have disappeared.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. CASEY].

The question was taken; and on a division (demanded by Mr. CASEY), there were—ayes 36, noes 89.

So the amendment was rejected.

Mr. ROUSH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUSH: On page 12, line 15, insert "(1)" immediately after "(h)", and on page 12, immmediately below line 17, insert the following:

"(2) Add at the end of section 534 the following new subsection:

"'(c) The annual presentation to the Congress of assistance proposed to be furnished under titles II, III, and IV of chapter II of this Act shall not be classified as 'Secret', or bear any other similar security classification. All information concerning assistance heretofore or hereafter furnished under such titles II, III, and IV shall be freely available to the public. Nothing in this subsection shall be construed to require that military information be made public.'"

(Mr. ROUSH asked and was given permission to revise and extend his remarks.)

Mr. ROUSH. Mr. Chairman, on the tables behind which sit members of the committee are seven volumes of pres-

entation books containing information relating to the mutual security program. Each of these seven volumes bears the classification "secret."

The amendment which I am presenting at this time will take the secret label off those presentation books—except wherein the information deals with the military.

Why should such an amendment be adopted? It certainly is not proposed so as to weaken the program. If we are to have such a program as mutual security then I would insist that the program be as strong as we can make it. When that program does not have the benefit of public scrutiny and public criticism then I am convinced that it will not have that strength required. When that program does not have the benefit of publicity provided by our press, TV, and radio but rather finds itself hidden behind a veil of secrecy then the right to know is being seriously thwarted. When the detailed aspects of that program cannot be discussed, debated and deliberated here on the floor of this Congress as we sit in open session, then the democratic processes by which we through legislative action determine our country's course is being seriously thwarted.

Yet, Mr. Chairman, and colleagues, those volumes and the detailed information they contain are not open to the public's scrutiny, those volumes and the information they possess are not open to members of the press, TV, and radio in order that they in turn transmit knowledge and understanding to their vast audience of readers, viewers, and listeners. And, although I can go through these volumes and you can go through them and we can inform ourselves, this information which bears the classification "secret" cannot be discussed with our constituency, I cannot discuss it with members of my staff, I cannot have the benefit of research done by outside agencies such as the Library of Congress, because I cannot outline my request. I cannot stand here in the well of this House and debate and discuss these specific areas with my colleagues. The members of the committee cannot thoroughly inform us here on the floor. The committee cannot answer certain specific questions projected by the membership because of that "secret" label.

As I have listened to the debate I find that even the staunchest advocates of this bill are critical of many things which are happening. I wonder if much of this is not the result of the fact that the information surrounding various phases of this program is not open to public scrutiny and discussion. We are a democracy. We are proud of the fact that the power of governing lies with our electorate. How can we, however, govern, how can we legislate if we are deprived of knowledge? James Madison once said:

> A people who mean to be their own governors must arm themselves with the power which knowledge gives. A popular government without popular information or the means of acquiring it is but a prologue to a farce or tragedy, or, perhaps both.

Could it be then, if this is true, that our lack of power and strength in this mutual security program lies in the fact that those who govern—the people—lack the knowledge from which power is derived.

Although I recognize the need for classification of information in certain military matters, even there it is overdone and I am convinced that the national welfare could best be served by greater disclosure of information. And, although I am aware of the arguments favoring this veil of secrecy in the mutual security program. I am convinced that they are heavily outweighed by the right of the people to know and through that right to know, cause strength to be generated within the program.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. ROUSH. I yield.

Mr. ZABLOCKI. If the gentleman's amendment prevails, the secret information books will be available to Communist agents, would they not?

Mr. ROUSH. Yes, they would.

Mr. ZABLOCKI. Does the gentleman agree that the Communists would be the greatest benefactors if we declassified that information?

Mr. ROUSH. If the gentleman will permit, I read in your report where there is a desperate attempt—or at least an attempt—to declassify information in order that we might have more information. I think if the declassification takes place the American people would benefit and this program would benefit. It would be a stronger program because of it.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. ROUSH] has expired.

Mr. ZABLOCKI. Mr. Chairman, I want to point out that it would be the happiest moment for the Communists if we would adopt this amendment. As the gentleman admitted, the material is available to responsible people. Any Member of Congress has access to the information in the classified presentation books. If we declassify them, by his own admission, such an action would give to the Communist agents information on the platter. Would this be in our national interest? I want to assure the distinguished gentleman from Indiana that this committee and this House is pressuring the executive to declassify information to the greatest extent possible; I repeat it would be a mistake to vote for this amendment. I hope it will be defeated.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield.

Mr. MORGAN. Is it not a fact that every year the committee goes through these books and insists that the executive branch declassify everything possible that is not vital to the security of this country?

Mr. ZABLOCKI. That is a fact.

Mr. MORGAN. Would not the opinions of our Ambassadors and generals of the effectiveness of the armed forces of other countries and of the competence of foreign officials which are contained in these books cause us embarrassment in dealing with other governments?

Mr. ZABLOCKI. It would ruin our diplomatic relations with other countries.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Indiana [Mr. ROUSH].

The amendment was rejected.

Mr. KYL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. KYL: On page 11, after line 10, add the following paragraph and renumber accordingly:
>
> "All nonmilitary flood control, reclamation and other water and related land resource program or project proposed for construction under titles I, II, or III (except section 306) of chapter II under section 400, or under section 451 of this act, shall be specifically authorized by the Congress when the aggregate cost is estimated at $1 million or more."

The CHAIRMAN. The gentleman from Iowa is recognized for 5 minutes.

Mr. KYL. Mr. Chairman, I shall not consume 5 minutes.

Mr. Chairman, I believe the intent of the amendment is clear to the membership. I am sure my colleagues understand the Mutual Assistance Act better than I.

This amendment concerns only bilateral arrangements and nonmilitary arrangements. The Congress in its wisdom has for a long time exercised much greater control than this over projects in the United States.

It is not difficult to envision what might happen if we were to establish a new agency in the United States to consider our domestic rivers and harbors problems and takes this function away from the Congress.

This amendment is simply an attempt to make the improvements which the majority of the Members seem to have deemed prudent in the last 2 days of discussion.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I shall take only a minute. This amendment would do a great deal of damage to the program; it is not in the interest of the program.

If the gentleman from Iowa will read the committee report he will see that there are not many $1 million projects in the program any more. The number of projects of this type which would come under the provisions of the gentleman's amendment is small. There are only 31 projects of any kind which amount to over $1 million planned this year. If we as Members of Congress take this job of passing on individual projects in foreign countries we would be there until doomsday.

I think the amendment should be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

Mr. ROUSH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUSH: On page 13, after line 2, insert the following:

"(k) Amend section 537 by adding at the end thereof the following:

"'(g) During the annual presentation to the Congress of requests for authorizations and appropriations under this Act for fiscal years ending after June 30, 1961, and within ninety days after the date of enactment of the Act making appropriations to carry out this Act in the fiscal year ending June 30, 1961, there shall be submitted to the Congress a detailed budget, on a country-by-country basis, showing with respect to military assistance, defense support, technical cooperation, and special assistance, the specific programs and projects to be carried out in each foreign country, the commodities, equipment, services, and materials to be furnished to such country, and the purposes in detail, for which funds requested, and funds otherwise available, will be obligated during the fiscal year for which the requests are made. Except where the President determines that the national interest requires that funds available for programs and projects detailed in any budget submitted pursuant to this subsection be transferred in accordance with section 501 of this Act to other programs and projects, funds appropriated, and funds otherwise available, for any fiscal year shall be available only for the programs and projects proposed, and commodities, equipment, services, and materials proposed to be furnished, as stated in the budget submitted for that fiscal year.'"

The CHAIRMAN. The gentleman from Indiana is recognized.

(Mr. ROUSH asked and was given permission to revise and extend his remarks.)

Mr. ROUSH. Mr. Chairman, the amendment which has just been read by the Clerk is the same amendment I proposed last year during a discussion of this bill. I might say in this connection that this particular amendment has a great deal of appeal to the people of the Fifth District of Indiana. In response to a questionnaire which I distributed throughout my district, over 92 percent of those responding favored such a program as stated in this amendment.

This amendment is not designed as a crippling amendment.

Its whole purpose and design is to give greater control over the mutual security program by this Congress. It is an amendment which both advocates and opponents to the foreign aid program can in good conscious support.

Very simply stated the amendment does just this:

First. Requires the submission of a firm, detailed budget by the administrators of the program.

Second. Makes adherence to that budget mandatory.

Third. Places the budget presentation and adherence on the same basis as our domestic budget.

When we think of the very strict requirements imposed upon the agencies and departments dealing with the domestic problems, I feel we are compelled to wonder at the latitude and freedom given to the ICA in administering the mutual security program and its funds.

We have sat here during these past couple of days and heard of poor programing, improper use of funds, poor administration, and lack of planning. The amendment would give this Congress a greater say in how these funds—which we appropriate—will be spent. It should lead to a more definite programing. It will lead to long-range planning.

The amendment supplements and strengthens the requirements placed in the act last year which requires the furnishing of greater detailed information by requiring the submission of a budget and adherence to that budget.

I might add, Mr. Chairman, that it is my desire that the program be terminated. I believe that is the feeling of a great majority in this Congress. Yet, unless we claim our right to control and direct the program through our legislative prerogative and control of funds it will be a self-perpetuating program which will continue to grow and grow. It is my hope that by reason of what we are doing the world will be free. That the people and nations of the world in using their present freedom might become economically self-efficient. This hope and this desire mean that I am opposed to any program of foreign aid which is everlasting and never-ending. I feel keenly that it is the responsibility of this Congress to make this program work to give it emphasis and efficiency by assuming the leadership in causing it to achieve its goal and then preventing it from becoming a permanent part of the world's economy—a never-ending drain on our economy.

The amendment before you will give us some say. It will rid us of a double set of standards in budget presentation—one for domestic agencies and a loose, lax, and indefinite standard for ICA.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROUSH. I yield to the gentleman from Iowa.

Mr. GROSS. Did not the gentleman hear that we do not have time to scrutinize this multi-million-dollar spending program?

Mr. ROUSH. Yes, I heard that, but I believe we do have time to look after the taxpayers' money.

Mr. FARBSTEIN. Mr. Chairman, will the gentleman yield?

Mr. ROUSH. I yield to the gentleman from New York.

Mr. FARBSTEIN. Does that include military aid?

Mr. ROUSH. Yes.

Mr. FARBSTEIN. Does the gentleman think it would be wise to let all of the countries throughout southeast Asia know how much money is given by this country to one country as against the other, Vietnam, Burma, Laos and the others?

Does the gentleman suppose also that in the Near East if one country were to know what the other country got, both for military aid and economic aid, that would make for friendship with this country?

Mr. ROUSH. This body rejected an amendment which would open up all of that information. This could be put under the classification of "secret," I imagine.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Indiana.

Mr. Chairman, the gentleman from Indiana offered this amendment last year. The amendment, of course, would add nothing of importance to what is already in the bill.

In the Mutual Security Appropriation Act for 1960 two new sections— sections 111 (a) and (b), are incorporated. Both of those sections in the mutual security appropriation bill, and 537(f) in the Mutual Security Act, in my opinion, take care of the problem adequately, and I therefore ask that the amendment be defeated.

Mr. ROUSH. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Indiana.

Mr. ROUSH. Does the gentleman say this amendment is already in the bill? This amendment is not in the bill. There is nothing in the bill or act which requires strict adherence to a budget that has been presented, is that not correct?

Mr. MORGAN. As I said, there is in the mutual security appropriation bill, plus 537(f), sufficient authority in my opinion to accomplish what the gentleman wants to do.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. ROUSH].

The amendment was rejected.

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that the balance of the bill be considered as read, and open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The balance of the bill follows:

CHAPTER V—TECHNICAL AMENDMENTS REFLECTING NEW LIMITS OF UNITED STATES

SEC. 501. The Mutual Security Act of 1954, as amended, is amended as follows:

(a) In section 205(c), strike out "continental" in the twelfth clause of the first sentence.

(b) In section 411(d), strike out "the continental limits of".

(c) In section 527(c), strike out "the continental limits of" in the introductory clause.

(d) In section 527(d), strike out "the continental limits of".

(e) In section 530(a), strike out "the continental limits of".

(f) In section 537(a), strike out "continental" in the last proviso of paragraph (5) and in paragraphs (13) and (17); and strike out "the continental limits of" in paragraph (10).

CHAPTER VI—AMENDMENTS TO OTHER LAWS

SEC. 601. Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1721 and the following), which relates to famine relief and other assistance, is amended as follows:

(a) In section 202, strike out "The" at the beginning thercof and substitute the following: "In order to facilitate the utilization of surplus agricultural commodities in meeting the requirements of needy peoples, and in order to promote economic development in underdeveloped areas in addition to that which can be accomplished under title I of this Act, the".

(b) In section 203, insert before the period at the end of the third sentence the

following: ", and charges for general average contributions arising out of the ocean transport of commodities transferred pursuant hereto may be paid from such funds".

SEC. 602. Section 501(b) of the Mutual Security Act of 1959 (73 Stat. 256), which relates to international cooperation in health, is repealed.

Mrs. CHURCH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. CHURCH: On page 14, after line 23, insert the following:

"CHAPTER VII—JOINT COMMITTEE ON MUTUAL SECURITY

"SEC. 701. (a) There is hereby established the Joint Committee on Mutual Security (hereafter in this section referred to as the "committee") to be composed of five Members of the Senate to be appointed by the President of the Senate, and five Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. In each instance not more than three Members shall be members of the same political party.

"(b) The committee shall conduct a full and complete investigation and study of the policies and purposes of, and operations under, the Mutual Security Act of 1954, as amended. The committee shall report to the Senate and the House of Representatives the results of its investigation and study, together with its recommendations, before February 1, 1961. If the Senate, the House of Representatives, or both, are in recess or have adjourned, the report shall be made to the Secretary of the Senate or the Clerk of the House of Representatives, or both, as the case may be. Upon the submission of such report the committee shall cease to exist.

"(c) Vacancies in the membership of the committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as in the case of the original selection. The committee shall select a chairman and a vice chairman from among its members. The vice chairman shall act in the place and stead of the chairman in the absence of the chairman. The vice chairman shall be chosen from the House other than that of the chairman by the Members from that House.

"(d) In carrying out its duties, the committee is authorized to sit and act at such times and places within or outside the United States, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable.

"(e) The committee is authorized to appoint and fix the compensation of such experts, consultants, technicians, and staff employees as it deems necessary and advisable. The committee is authorized to utilize the services, information, facilities, and personnel of the departments and establishments of the Government.

"(f) Expenses of the committee shall be paid out of the contingent fund of the House of Representatives, on vouchers signed by the chairman of the committee."

Mr. ZABLOCKI. Mr. Chairman, I reserve a point of order against the amendment.

Mrs. CHURCH. Mr. Chairman, I thank the gentleman for reserving the point of order.

If this amendment is not germane, Mr. Chairman, it is nonetheless certainly needed. The arguments and the statements made during the last 2 days must have convinced anyone in the House that there is probably more question about this program than about any other operation of our Government—more doubt about its effectiveness, more criticism of its operations, more question on the part of some, indeed, as to whether the program justifies itself; and certainly on the part even of those who support it, honest soul-searching as to what can be done, at least, to improve it.

Mr. Chairman, we have been promised in good faith—and I know the promise will be kept—by the chairman of the House Committee on Foreign Affairs that next year the committee will bring to this body a new bill, what we call a "clean bill." I am not sure that the House appreciates just how the bills have been prepared since 1954. It was in 1954, and not since then, that the House was presented with a new bill. Since that time, every year the administration has sent to the committee a draft form on which the committee, with deliberation—and I would say conscientiously—has worked its will. But here we have had, Mr. Chairman, in 1955, 1956, 1957, 1958, 1959, and 1960 what might be colloquially, even if inelegantly, called a "rehash" of the bill of 1954.

Next year this House and the other body are due to receive new legislation. I think, therefore, Mr. Chairman, that the moment is ripe for taking a new look at the policy, the pattern, and the operation of the mutual security program. I think that the Congress would welcome such a look. I think that the committee would welcome such a look, based on a new perspective, based on evidence, based on the viewpoint of those who may be less inclined to look back and produce only a continuation of what we have done year after year after year. Mr. Chairman, I am sure that the country would welcome such a look. And, I would say to those who criticize the program, an honest evaluation, report, and recommendations as suggested would help us bring to this body proper answers and proper actions—or at least proposals to terminate unjustified activities. It would certainly bring to those who support the program, if continuation be proven merited, arguments on which better to urge continuation. Above all, it would make us intelligent about what we are doing, and it might even lead the executive branch to take a fresh look, too, at our problems in this troubled world and at the way that those problems might be freshly approached.

Mr. Chairman, someone might say: Is not the Committee on Foreign Affairs of the House and the Committee on Foreign Relations of the Senate prepared to do just this?

First of all, sometimes a committee that has not in its entirety dealt so long and intimately with problems, actually profits from disassociation with previous trials and errors. The proposed committee will have not only perspective but fresh inspiration. It may find a new pattern on which to build our own safety and the peace of the world. But in addition, and very practically, Mr. Chairman, I realize that this present bill is not going to pass both bodies immediately, that the appropriation bill will be on our minds at least for a month or two and that we are going to adjourn as a body, hopefully we say, in July. The Committee on Foreign Affairs will not be meeting between that time and January. I therefore feel that the time has come when it is appropriate for the sake of new investigation to have a Joint Committee on Mutual Security, comparable to the Joint Committee on Atomic Energy, after which this proposal which I have outlined is patterned. I would certainly regret to have the committee raise a point of order against an amendment offered by one of its members in very good faith, but I would like to say that if the committee, perhaps because it does not realize the significance and helpfulness of the amendment which I have offered, does press that point of order, I shall certainly later introduce this amendment as a resolution and ask that it be sent to the Committee on Rules where I hope that it will receive prompt action.

Mr. ZABLOCKI. Mr. Chairman, I must reluctantly insist on the point of order.

I have the greatest admiration and respect for the legislative ability and skill of the gentlewoman from Illinois. Her amendment may have great merit, and I know that it is offered with the best of intentions. It provides, however, for the creation of a Joint Committee on Mutual Security and such a proposal, under the rules of this House, should receive appropriate consideration by the Committee on Rules. Our Committee on Foreign Affairs does not ever want knowingly to transgress the jurisdiction of any other committee of the House. Therefore, although I appreciate the spirit in which this amendment is offered, I trust my distinguished colleague, the gentlewoman from Illinois, will understand my position and my insistence upon the point of order.

The CHAIRMAN. Does the gentlewoman from Illinois desire to be heard on the point of order?

Mrs. CHURCH. Regretfully, Mr. Chairman, and with the additional statement that I think the decision to press the point of order results in a loss of valuable time for investigation of a policy and a program that needs investigation—regretfully, I repeat, I concede the point of order.

The CHAIRMAN (Mr. MILLS). The point of order is sustained.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. GROSS: On page 14, line 15, strike the period, insert a colon, and add the following: "*Provided*, That not less than 25 percent of the funds expended during the next fiscal year under the Mutual Security Act of 1954, as amended, shall be used to purchase and make available to needy peoples surplus agricultural commodities produced in the United States."

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, this amendment simply provides that 25 percent of the funds to be expended dur-

ing the next fiscal year under the Mutual Security Act of 1954, as amended, shall be used to purchase and make available to needy peoples surplus agricultural commodities produced in the United States.

I would point out to you that in the 5-year period 1946 to 1950 we exported $3,468 million worth of agricultural commodities. In that same period we imported $3,378 million worth of various commodities. In the decade following 1950 our exports dropped to about 20 percent. My amendment would put these exports back up and make available more food for the needy people in foreign countries.

I am interested in Iowa farmers, Midwest farmers, farmers all over the United States. I am afraid some people who are voting for this bill are not greatly interested in some of their industries and in some of their laboring people. Our American farmers are in trouble, and I am going to help them if I can. I am interested in seeing that American farmers get their fair share of the spoils that are going to be dispensed under this bill.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Iowa.

Mr. JENSEN. I am very happy the gentleman has offered this amendment. Surely this amendment is proper and right, because it will not only help the people in the foreign countries who need food but it will also help the farmers of America, who are in a bad economic squeeze today. Certainly if there ever was an amendment offered to a bill that should be adopted it is the amendment offered by the gentleman from Iowa [Mr. GROSS]. I shall not take any more of his valuable time.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Will the gentleman's amendment apply to the prior authorization and also the bill before the committee? The total authorization now on which the Appropriations Committee will make an appropriation will be in excess of $4 billion. Will it apply to the entire amount or just the bill before the committee?

Mr. GROSS. My amendment provides for not less than 25 percent of the funds expended during the next fiscal year under the Mutual Security Act of 1954, as amended.

Mr. PASSMAN. Expenditures and not appropriations?

Mr. GROSS. Expenditures under the 1954 act, as amended.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Minnesota.

Mr. WIER. Does the gentleman make any provision that this food, and certainly we have plenty of it, gets into the hands of the people and not the administrations of the governments?

Mr. GROSS. No; I make no provision for that in the bill. The language in the bill preceding my amendment is this:

> In order to facilitate the utilization of surplus agricultural commodities in meeting the requirements of needy peoples, and in order to promote economic development in underdeveloped areas in addition to that which can be accomplished—

And so forth.

Mr. WIER. I think our experience has been in the past that where we made contributions of surplus foodstuffs they went to the governments, and the governments sold them to the people, who had no money to buy them.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from West Virginia.

Mr. BAILEY. Would the gentleman be kind enough to clarify his amendment so as to let me know if he is talking about the needy people abroad or the needy people at home?

Mr. GROSS. As far as my amendment is concerned, it could be used to take care of needy people at home as well as abroad.

Mr. BAILEY. I would say amen to that.

Mr. GROSS. I did not say anything about foreign governments.

Mr. BAILEY. I thank the gentleman.

Mr. GROSS. I would be glad to see some of the food paid for out of these foreign giveaway funds go to hungry people in West Virginia. That would suit me fine.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman this amendment would damage the bill.

From June 1946 through June 1949 the agricultural exports of the United States amounted to $49.1 billion. Of this amount those exports made under specific Government-financed programs amounted to $20.8 billion or 42 percent of the total. Of the $20.8 billion, $10.2 was exported under programs administered by ICA and its predecessor agencies; $7.2 billion of the $10 billion was financed by foreign aid programs. I think we have done very well with the surplus food in this country under the foreign aid programs.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Minnesota.

Mr. JUDD. In 1953 I offered an amendment, which was adopted, to require that up to $250 million of the aid provided under this bill should be in the form of surplus agricultural commodities. One year, I believe that ICA used up to $375 million.

Section 402 of the existing law requires not less than $175 million of the funds appropriated in this bill be used for agricultural surpluses. But, the fact is that we cannot now use more than that because production in most of the countries that needed food and fiber in the beginning is fairly well restored—they have recovered from the devastation of war. Many of the countries to which we are giving most of the help now are self-sufficient in food. What they need from us most is machinery and various kinds of equipment and materials to develop their economies. The testimony is that $175 million is about all that can be spent for or sent in the form of agricultural commodities, that is now being done and to adopt this amendment would just seriously cripple the program.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The question was taken; and on a division (demanded by Mr. GROSS), there were—ayes 60, noes 101.

So the amendment was rejected.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

(Mr. McCORMACK asked and was given permission to revise and extend his remarks.)

Mr. McCORMACK. Mr. Chairman, there is no evidence that Communist aggression and intent, as well as worldwide domination ambitions, have changed to the slightest extent. This is evident as we view what is happening throughout the entire world.

We need strong allies and friends to constitute a collective defense system necessary for peace and for our own national interest.

Throughout the world we have strong allies and friends such as Turkey, Pakistan, Iran, and other countries. There are other countries who are following the policy of neutralism. While in our own national interests we must adjust ourselves in a proper way to those countries that are following the policy of neutralism, above all we should not forget our friends and our allies, and by our policies for them feel that they are subordinated in our mind to those countries that are following the policy of neutralism.

There are some people in pivotal and powerful positions in America, and I do not say that they are necessarily in the administration, who believe that nations should be encouraged to adopt the policy of neutralism. I cannot agree with such persons. Certainly, when a country that is our ally and our friend turns to neutralism, that change is not for our best interest.

We must not permit the impression to be created in the minds of those countries that are our friends and allies, and with whom we have agreements, that, first, we encourage neutralism, and second, that we will emphasize our aid and assistance to those countries that follow the pathway of neutralism, as against those countries who are our affirmative friends and allies.

We must avoid the impressions that neutral countries are wooed, and that friendly nations are to be taken for granted. As I read the press and draw my inferences, I have the impression that in the mind of some, if not all, of the leaders of nations that are our allies and friends, that such an impression exists and is growing. We should never permit policies to be established to convey a message to our friends and allies that they are taken for granted.

In those countries that are our friends and allies, they recognize that the Soviet

Union is a Trojan horse. The Soviet Union is trying to weaken them in their friendships and alliances with us. They are offering all kinds of direct and indirect inducements and even threats. The nations that I have mentioned, and other nations such as Thailand, the Philippines, and others, have been loyal in their friendship to the United States. The friendship that we have with our allies should be cemented strongly and not weakened by glorifying neutralism as against friendship. Those administering this act in carrying out its provisions should recognize that real friendship between our country and other countries should be strengthened and not weakened.

Mr. Chairman, there appears to be a tendency in certain sections in this country that military alliances in Asia should be played down and that neutralist policies pursued by a number of Asian countries should be encouraged. Expression of views like this ignores the fact that the military expansionism of the Communist bloc faces hard and determined resistance—fully backed by the United States—both in its eastern and western borders, i.e. in Europe and Far East.

The soft underbelly of the Communist bloc on its southern border alone is the main area where such a determined and effective posture has been weak. It is therefore not without significance that recent Communist probings have increasingly centered on this area. Note Communist infiltration into Iraq and nearby areas, their increasing influence in Afghanistan, the unsuccessful military move into northern Laos, suppression of Tibetan rebellion and Chinese incursions into Indian borders and Ladakh area of Kashmir.

Apart from this danger, the currency of such views, encouraging neutralism, creates an adverse public opinion in the allied countries in Asia who have a feeling that they are being taken for granted. It also fosters a thought that it pays to turn neutral. This attitude naturally weakens the public support behind the policy of allied governments at the perimeter of the Communist bloc, who are, therefore, so to say under the gun of the Communist bloc. It is vitally important for the free world that such a mistaken impression is repelled by responsible leaders of opinion in this country.

Mr. WOLF. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Iowa is recognized.

(Mr. WOLF asked and was given permission to revise and extend his remarks.)

Mr. WOLF. Mr. Chairman, I wish to ask the chairman of the committee if he would outline the effects of section 601 under chapter VI.

Mr. MORGAN. This takes care of surplus bread grains and other foodstuffs to be donated to underprivileged countries under title 2 of Public Law 480.

Donated surpluses will be used as part payment to workers employed on public works type projects such as soil conservation and reclamation, tree planting and reforestation, and the construction of earth dams, firebreaks, and so forth.

In some cases the donated surpluses will be sold by revenue short countries and the proceeds used for public programs, such as in the field of education.

An estimated $50 million in surpluses can be used in these programs.

The amendment will broaden the President's authority to donate surplus commodities so they can be given for economic development under other than emergency conditions.

Mr. WOLF. I thank the gentleman from Pennsylvania and yield back the balance of my time.

(Mr. McDOWELL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. McDOWELL. Mr. Chairman, I rise in strong support of the mutual security legislation, and I am opposed to this amendment, or any other amendments, which have as their purpose the weakening of this strong arm of our foreign policy which has proved to be successful in stopping the spread of communism throughout the world these past 15 years.

Mr. Chairman, I call to the attention of my distinguished colleagues the almost unanimous record of support of our foreign aid programs by the responsible officials of the U.S. Government ment throughout their inception from the President on through his Cabinet members, the Joint Chiefs of Staff, and every advisory commission which has been appointed from time to time to study this problem, and the unquestioned fact that no candidate for public office has ever been defeated because of his support of our foreign aid programs. This to me indicates that the American people agree with the decisions of their elected leaders that the foreign aid programs have been necessary and successful and that they wish them continued until such time as there may be assurance of peace and reasonable prosperity throughout the world.

We have heard time and again throughout this debate conscientious and experienced colleagues who have criticized the administration of the program in the past and in the present, and heard them express their fears of a continuation of waste and extravagance in the future. Many have prefaced their remarks by saying they are for mutual security and foreign aid and then they proceed at great lengths to say why they are opposed to the passage of the mutual security legislation now before us. Not one have I heard offer any alternative plan which would take the place of the mutual security program to check the spread of communism. They attack the economic grants of aid in the program as a giveaway and yet these critics are even more vociferous in their denunciation of the Development Loan Fund.

It is one thing to offer constructive criticism in the hope that such criticism can improve the administration of such a Government program, and I have joined my colleagues as a member of the Foreign Affairs Committee, and as a member of the Special Study Mission to Asia, Western Pacific, the Middle East, Southern Europe and North Africa in offering such constructive criticism. But too many of the bitter critics do so because they are now and have always been violently opposed to any foreign-aid program, and the record will show this to be true.

There is nothing wrong with the mutual security program that better administration cannot correct. The Foreign Affairs Committee, under the able leadership of its chairman, Dr. MORGAN, without partisan consideration, has written into this bill, H.R. 11510, amendments adopted by the committee which should be ample safeguards. However, the responsibility for the administration of economic assistance under the mutual security program is vested in the International Cooperation Administration. This executive agency must accept full responsibility for the recurring charges of maladministration. In spite of repeated evidence of such maladministration over the last several years, there is no indication of administrative corrections. Because of this situation, the mutual security program is carrying an unnecessary burden of criticism which has affected its acceptance by the American people.

I plead with my colleagues to put the blame where it belongs—squarely on the shoulders of the executive department. The many examples of waste and extravagance in the mutual security program which have been revealed to the Congress and the American public over the past 8 years have never been given one line of public recognition by the President or any of his executive administrators.

Whether we like it or not, world opinion is watching the Congress as it works its will on the passage of the mutual security bill. And again, whether we like it or not, the billions of people in the uncommitted nations throughout the world and where the mutual security program has been in operation, will be affected by the action of the Congress of the United States.

Our foreign aid programs are in direct competition with the Soviet Union foreign aid programs in most of these countries. Are we afraid to meet this competition? Can we in all good conscience fail now to meet our responsibility to ourselves and to these people?

Mr. HALPERN. Mr. Chairman, I want to add my commendations to the members of the Foreign Affairs Committee for the fine work they have done on H.R. 11510 and its accompanying House Report 1464. The bill is not all that I hoped it would be, but it does contain several significant, forward-looking provisions. These will strengthen the mutual security program and redound to the benefit of the entire free world.

These provisions reflect an awareness of the need for new techniques and programs for meeting challenges which we have come to realize play an integral part of the exceedingly complex economic problems of young, underdeveloped nations struggling to create a stable economic base.

I refer specifically to section 204(e) which endorses the Indus River Basin project. Rapid progress in the develop-

ment of this great granary will prove of immense benefit to both India and Pakistan, and to the free world as well. It is fitting that Congress should, in this bill, acclaim the cooperative spirit which has carried the negotiations on this project to such a fruitful climax and that we should make known our determination to provide material assistance toward the implementation of the agreed goals.

Section 204(m) which provides for a program of loans to encourage the development of farm cooperatives, is another commendable addition. Agricultural land reform programs are often among the early measures adopted by underdeveloped nations in their drive toward modernization. Quite often the sudden increase in small, relatively inefficient farms results in a temeporary decline in food production.

In other nations the condition has long existed of agricultural areas broken up into miniscule parcels as a consequence of age-old inheritance practices or lack of capital funds.

In either case, a possible solution to the problem of creating more efficient agricultural units is the formation of farm cooperatives. To the extent that the application of section 204(m) will aid in this aspect of modernization, its inclusion in H.R. 11510 is highly welcome.

Section 601(a) is closely relevant to section 204(m). This provision for a broadening of the famine relief program of Public Law 480 can prove of enduring benefit to the underdeveloped nations. The use of agricultural surpluses to relieve temporary decreases in agricultural production, to fill gaps left when farm workers swing to industrial and urban occupations or into education, and to fight ravaging inflation when farm stocks fall and hunger causes food prices to soar, fills a vital role in the overall mutual security program. Its beneficial consequences can be many, and I hope that it will be used to the greatest extent possible without infringing upon legitimate agricultural export programs.

The committee is also to be highly commended for the increase in the special assistance program from $247 million to $256 million. This grant aid to 22 nations is utilized for many important functions from the maintenance of political and economic stability to the carrying out of special programs. Its recipients include such countries as Brazil, Israel, Haiti, and West Berlin, among others, all significant members of the free world.

The committee likewise should receive our plaudits for section 2 which declares it to be the sense of Congress that the United States favors freedom of navigation in the international waterways, and economic cooperation between nations, and that the purposes of the mutual security program are negated and the peace of the world endangered when nations receiving economic assistance under the act, wage economic warfare against other nations receiving such assistance, including such procedures as boycotts, blockades, and the restriction of the use of international waterways.

This addition superbly reflects the general policy of Congress as defined in section 2(a) of the Mutual Security Act of 1954, as amended, that—

> Peace in the world increasingly depends on wider recognition, both in principle and practice, of the dignity and interdependence of men.

Efforts thus far to promote a conciliatory attitude in the UAR as regards its economic boycott of Israel and the closing of the Suez Canal have met with nothing but failure. Surely, if two countries ever possessed mutually interdependent interests, it is these two; yet, the UAR almost pathologically insists upon maintaining a state of belligerency and on defying international law and denying its own commitments.

The continuation of the Middle East crisis condemns the area to be in constant ferment and affords Russia an open invitation to intervene. A detente would not only enable the entire region to concentrate on domestic needs, but would greatly augment U.S. foreign policy by removing a sore which has been highly susceptible to Russian agitation.

I urge the Congress to support this provision overwhelmingly and thus strengthen the President's hand in its administration. Its adoption will constitute notice to the world of our determination to uphold the principles of justice and equity among nations.

There are other aspects in the committee report which should be mentioned. One is the discussion of the need for increasing the authority of our Ambassadors over the content, coordination and direction of our aid programs. This objective has been supported by numerous study groups and is a reflection of our growing awareness that U.S. Foreign policy can no longer be concerned solely with the external relations of States; the evolution of their domestic life has become a direct and legitimate concern.

Relationships between the United States and the underdeveloped nations today must rest on a shared interest in furthering a process of modernization which will enable transitional societies to develop their own versions of responsible government and to play a useful cooperative role in the international community. Mutual efforts will require our Ambassadors to become involved in activities directed toward the effectuation of this objective.

I hope that the policy outlined in the committee report will be applied as rapidly as possible in the implementation of U.S. foreign policy.

I also wish to commend the committee for its striking description of the pipeline problem and the need to maintain unexpended balances as an assurance of the continuity of our programs. Leadtime is a necessary factor in the administration of the program; the very core of the program depends upon continued adequacy of material shipments.

Continuity in the pipeline can be analogized to maintaining a balance in a checking account. Unless deposits sufficiently offset withdrawals, the balance will decline and the usefulness of the account will be destroyed. If we fail to keep the pipeline filled, or if we permit it to be broken, young, free nations will wither past any hope of revivification by emergency treatment.

These, in my opinion, are some of the outstanding provisions in the bill and in its accompanying report. I hope that the measure will be adopted in its present form or, perhaps, its authorizations increased where necessary to bring them into line with the recommendations of the President.

More than ever, we need continuity, adequacy, and flexibility in the mutual security program. The occasion calls for boldness and generosity.

I deeply regret that the authorization for the Development Loan Fund, both in amount and time, was not substantially increased so that needs might be met, particularly in those nations which are poised just at the economic "takeoff" point, and require significant overseas assistance if they are to breakthrough into modernity.

Mr. Chairman, these are the years that we can never call back. The consequences of opportunities that are missed now can plague us in the future as we find that insufficient effort on our part might well be responsible for the failure of our expectations to fully materialize.

Once these years have passed, we cannot correct what might have been done.

I commend the committee for the fine advances it has made in the mutual security program through the provisions of H.R. 11510. I only regret that greater provision was not made to set the program on an adequate, long-term basis. I sincerely hope that this will be remedied and that free peoples everywhere will be enabled to fulfill their aspirations for growth and development as member nations in the free world.

Mr. DENT. Mr. Chairman, no man in this House has a greater respect for or a fonder friendship than I have for my colleague and fellow Pennsylvanian, the Honorable THOMAS MORGAN, chairman of the Committee on Foreign Affairs.

However, all men are endowed with the mental capacity to form an opinion and express it.

So without reflection upon my friend, Dr. MORGAN, or any member of this committee I want to again call for the defeat of this misnamed, much-abused act of charity called the mutual security bill.

While we talk security, we preach, and sometimes I wonder if we also pray, for war and crisis after crisis. One wonders if all this hue and cry over war and threats of war, that is, the Berlin crisis, communistic aggression, and other pet slogans are not manufactured for the purpose of justifying the $4.5 billion we spend on defense for this country and our friends.

Certainly we all desire security at home and for our friends abroad, but we also have to admit that you cannot really buy either one of these much-desired goals. You can talk yourself into trouble a darn

sight easier than shoot your way out of trouble.

I read this very morning the following editorial in the Financial Post from Toronto, Canada. It ought to show just what outsiders who are not Members of Congress, seeking election, nor are they Senators or statesmen running for President, think about our so-called peace offensive.

I quote the editorial dated April 16, 1960:

ARMS RACE REACHES INSANITY PEAK

Preparations for war by the two leading powers, the United States and Russia, have now reached a pitch of mania and horror that should alarm every responsible citizen.

Latest development in the United States (reported on p. 13) is a concerted effort to make germ warfare and nerve gases respectable and much more efficient.

For years the United States has been accumulating stocks of a lethal gas that can kill millions swiftly. Another specialty being developed involves mosquitoes, flies, and ticks infected with typhoid, cholera, and other terrible diseases.

This part of the military program has been kept hush-hush because the great public is supposed to have a moral or esthetic objection to this kind of defense.

But now the U.S. Army Chemical Corps, backed by top military brass and civilian experts, is out to make these ghastly weapons popular. They can kill far more people faster than nuclear bombs.

The cost of this kind of mass killing is only a few cents per corpse which is very much cheaper than the new bombs.

And so Congress is to be asked to speed up, and support with a greatly increased money vote, the making, testing, and storing of bacteriological and chemical killers. And some of the militarists seem eager, ferociously eager, not merely to test these monstrous discoveries but to commit the United States to using them first when, as they evidently expect, war comes.

Talk of disarmament is a shameful mockery when proposals of this kind are seriously made.

Indeed the bumbling leaders who have brought us to this desperate pass by their obsessive concentration on world war III mock and insult those who died in World War II.

The one possible basis for security, the necessary prerequisite to any cut in armaments, is a political settlement of disputed issues.

But it is obtainable now, as always, only by patient diplomacy, an art that's unfortunately out of fashion and even despised in the U.S. American foreign policy during the 7 years Mr. Eisenhower has specialized in repeated threats of force, not in the search of conciliation.

Next month's summit conference offers an opportunity for the diplomatic, peacemaking approach. If the chance isn't seized, if the U.S. Army Chemical Corps and other ambitious generals are to determine the course of American policy, the human outlook is frightening indeed.

The latest news from Korea shows that the guns and ammunition we supplied the Korean Government is working perfectly in the street riots against the government forces of Korea which we are supporting.

We can assume that much of our mutual aid cash was used for payment of guns and equipment being used in South Africa.

We also wonder and that is all we can do is wonder about the disturbances in South America, Central America, Cuba, Santo Domingo, and all over the Caribbean area and how much of the equipment, guns, and propaganda was and is being paid for out of the pockets of American taxpayers from so-called mutual aid funds.

Another situation seems to be getting out of hand in our mad race to beat our plowshares into swords and that is the proposal by the Eisenhower administration to give away to "friendly" nations our nuclear war equipment.

A few years ago this administration pushed through a bill allowing the President to give away nuclear secrets for peaceful purposes.

Since that time France has developed the A-bomb and China is on the threshhold of this accomplishment. What happens when we give away the war secrets and equipment? Suppose we give these materials to another friendly nation like Cuba was and a Castro decides to take over. Do we then get hit with our own shells or do we beg them to be nice and not fight "Poppa."

Personally, I must admit I cannot see any sense in giving mutual aid for economic purposes to so-called underdeveloped countries, to countries like Trujillo's Dominican Republic, to Cuba, and other Latin and Far East countries who spend as much or more than we give them to build up what they call military establishments.

Does anyone believe that any of these countries would be able to muster a fighting force in the new rocket-nuclear war planned for the future? They would not. In the meantime we go merrily along talking peace and handing out guns. If you watch the westerns on TV you find out that when a town was really a trouble spot a real tough marshal would make all the people "park their guns."

Why? Simply because the only way to keep them from shooting up the place was to take away their guns. Peace and powder do not mix any more than drinking and driving. You can get away with it until some unforeseen incident makes you have to act fast and—"wham"—it is all over but the shooting.

I have proposed before and say now that the only way I will ever vote for aid to underdeveloped countries will be with the rider attached that the nation getting aid cannot spend money for military purposes.

If people need food and economic security, how can they have both when they use the major part of their income for guns and powder? Peace cannot be achieved by doubletalk, and the United States is tied up by treaty and tradition to such an extent that in any future war we will have to defend our neighbors whether they have standing armies or not.

Now for the developed countries—France, Germany, Japan, and so forth—they have long ago passed the berserk mark set up as a basis for aid. They are far beyond their prewar economy level. This was our original goal in foreign aid. We seem to have lost sight of both the goal and the players and appear to be sitting in the bleachers while the game is going overtime with the opposition running up a score while our team is in the showers.

Let us cut out the nonsense and pure doubletalk. If we want to give military supplies, and so forth, to our friends, let us admit to this fact; but does anyone believe there is any difference in the British hiring the Hessians to fight the Revolutionary War and our plan to pay nations to fight our battles for us? We will survive so long as we are strong.

If I thought this act before us would prevent wars, I would vote for it time and time again, and so would all Americans.

However, unless we reevaluate the whole situation of trade, aid, loans, gold reserves, domestic requirements for our people, and move forward in a coordinated effort to better our way of life, and then give a helping hand to our friends, I cannot at this time support this so-called aid bill.

Mr. SCHWENGEL. Mr. Chairman, as I listen to this annual debate on our mutual security program, the thought comes to my mind of the reaction of millions upon millions of people to President Eisenhower's visits in the Near East and South Asia and in Latin America. I believe this reaction—one of warmth, enthusiasm, and obvious friendliness—proves how wrong are some of the allegations heard about our foreign aid program.

Take, for example, the charges that our aid has made enemies instead of friends. This charge just doesn't hold up. If it were true, we should have made an awful lot of enemies by now, because we have been in this aid business for a long time and have spent billions of dollars at it. But if the charge were true, then why did so many people crowd the streets of so many nations to welcome our President with such an outpouring of affection? We have only to look at what happened during the President's visits to Pakistan and India. The crowds were by far the greatest ever to greet a foreign guest and pressed in upon the official cars so that they could hardly move. This reaction, in my opinion, is not unrelated to the fact that we have shown through our aid programs that we are concerned with what happens to the people of South Asia—with their welfare and their aspirations for progress. It is not unrelated to the knowledge on their part that we have provided enormous quantities of food, to help ward off famines, to relieve victims of disaster, to add to stocks available and help to keep the prices at reasonable levels.

Our aid in both Pakistan and India has reached down to the villagers, in Pakistan, through the village aid program, in India through our help with the community development program. Here we have helped stimulate local self-help projects, such as access roads, drainage ditches, pure water supplies, schools, and other enterprises of direct and immediate benefit. We have worked with these Governments, as with other governments, to make it possible for the average citizen to improve his own condition and that of his family and of his home.

Another familiar charge against the aid program is that the benefits go only to the rich and the common man does not get anything, does not know anything about the aid program, or, if he does know, he resents it. People do know about programs and they know how they have benefited them. For example, who gets more benefit from a cooperative health program—the rich who can already afford a doctor, or the poor who learn how to prevent disease? Who gets more out of educational programs—the rich who already send their children to school, or the poor who are helped to build schools, to get teachers, to learn to read and write? Who gets more out of agricultural programs, or out of community development and out of self-help housing?

I have in my hand the latest issue of a newspaper called Economic World. On the front page is a picture of President Eisenhower examining a self-help housing project in Chile. This project is the result of advice and assistance given through the aid program and 23,000 houses have been or will soon be built in 26 towns in Chile through similar self-help activities. What can be a better defense against communism than a home of one's own—particularly a home that a man has built for his family with his own hands and help of his neighbors?

I cannot believe that the warm, the overwhelming reception given our President by the people of Chile was unrelated to their knowledge that over the years U.S. technical cooperation experts have worked side by side with Chilean Government officials and ordinary people to help them improve their nation—its agriculture, sanitation, education, and social institutions.

The people of Brazil were equally warm in their reception. Not even a terrible air tragedy could extinguish their happiness with our President. We have had years of cooperation with Brazil and, as a matter of fact, it was in this country that the earliest predecessor of the point 4 program was born. The most outstanding success is the Public Health Service in Brazil. It is called SESP—Cervico Especial de Saúde Pública. SESP started life much more North American than Brazilian—over 90 percent staffed and financed by the United States. Today it is a mature public health agency, larger in fact than the U.N. World Health Organization, and its more than 400 projects throughout Brazil are 97 percent financed and staffed by Brazilians. This is an example of the kind of institutional evolution which we encourage through point 4. It is the kind of institution which helps the Brazilian people directly and which many of them know about and appreciate our helping hand.

We have all heard opponents of this program say that our aid is not wanted—yet most nations ask for more.

We have heard these opponents—and even some self-styled friends say—that U.S. personnel are inept and stupid, clumsy in their relations with sensitive citizens of other nations—and yet, our friends ask for more of our technicians and our help.

They ask for more because they like what they get; they know it is good for them. They ask for more cooperation because they think it is to their interest to work with us just as we think it is to our interest to work with them.

Let me refer to one other nation—Greece—where the cordiality of the reception given our President exceeded all we could even wish for. The thought of Greece should remind us that many countries literally would not exist at all had it not been for economic and military aid from us. Greece is one such country. Only 13 years ago Greece had been almost entirely taken over by Communist guerrillas. The Red-supported troops occupied 75 percent of the land area and held everything except a few of the larger cities. If there had been no aid from the United States, Greece would have gone down the drain.

But there was aid—both military and economic—and that country is today a valued ally in our NATO defenses and a strong partner for peace. The people of Greece appreciate our aid and in one area they even erected a statue in honor of a U.S. technician who helped them drain and desalt some marshes and then plant them to rice.

Now, of course, the purpose of aid is not to extract expressions of gratitude, but to help our partners to become better partners, stronger partners; to help them, when need be, to carry the economic load of defense, to help them to keep their economies from being crushed by this burden. Another purpose is to provide that vital margin of resources which can make the difference between success or failure of plans and programs for economic development. Our aid, in most instances, is only a fraction, and often a tiny fraction, of the total efforts at economic development. But it is an essential fraction. Without it the world situation would be entirely different. With it we are able to help create the opportunities for progress, opportunities to negotiate for peace.

Many more examples of the success of the aid program could be given, not only in the countries visited by the President, but in many others also. However, I think no more need be said to prove that the aid is appreciated, is known, and is needed.

I urge approval of this legislation.

Mr. Chairman, at this point I should like to place in the RECORD an article by Joseph Harrison, published in the Christian Science Monitor, April 1, 1960.

U.S. FOREIGN POLICY REAPS GAINS

(By Joseph G. Harrison)

The foreign policy of the United States, according to a great deal of available evidence, has entered the crucial decade of the sixties in a considerably stronger position than many of its critics would have thought possible a year or so ago.

Indeed, an impartial observer might well argue that America's position in the world, despite certain obvious weaknesses and failures, contradicts those who claim that this position has continued to deteriorate.

It can, in fact, be maintained that the very opposite of what these critics expected has happened, and that for several years American foreign policy has been increasingly successful along most lines and at most points.

This does not mean that many grave problems do not lie ahead. The unresolved crisis over Berlin, Washington's presently unhappy relationship with Cuba and Panama, the continuing threat to Formosa on the part of Communist China, these and certain other unsettled questions indicate how difficult remains the road ahead.

Yet a broad survey of world conditions, as they affect the United States and are affected by it, indicates that in many areas of the globe Washington's policies have both strengthened this country's international relationships and improved the picture held of this country.

TRACED TO 1958

Some students trace the beginning of this improvement, surprisingly enough, to the summer of 1958, when, in the face of civil strife in Lebanon, an extremely tense situation in Jordan, and the overthrow of the pro-Western Iraqi Government, Washington sent a powerful contingent of U.S. Marines into Lebanon. This helped end the strife, and allowed an opportunity for peaceful compromise between the warring factions.

But, equally important, the Marines were, to the happy surprise of nationalist elements in the Middle East, quietly withdrawn after a few months. Important segments of Asian-Africa opinion, which had earlier condemned the dispatch of the Marines, even though the Lebanese Government had requested it, were gratified at the speed with which this withdrawal was made.

This and other wise steps taken since eventually resulted in a lessening of Arab hostility toward the United States, despite the fact that Moslem resentment over America's role in the establishment of the State of Israel continues, and will continue for the foreseeable future, to raise many problems for Washington.

At present American relations with the Arab-speaking nations of the Middle East and North Africa seem, on the whole, to be moving toward a steadily better relationship. This is particularly true of Washington's relations with the United Arab Republic, the most influential of the Middle Eastern nations.

SYRIAN AID RESUMED

Within the past few months, the Syrian region of the United Arab Republic accepted American aid for the first time since the end of World War II. Similarly, American aid to the Egyptian region of the United Arab Republic is rising steadily and negotiations regarding such aid are being held in an increasingly friendly atmosphere. At the same time, the United Arab Republic has quietly but effectively begun withdrawing a considerable number of students which it had earlier sent to the Communist countries of Eastern Europe and rerouting them to American and British universities.

It is undeniable that the relationship between the United States and the revolutionary regime of Premier Karim Kassem in Iraq is far from satisfactory, with the United States being frequently lumped with other leading Western Powers as "imperialist." However, the United States has moved in such a way as to attract a minimum of unfavorable attention in Iraq, with the result that Baghdad has been finding fewer reasons for attacking this country. One proof of this is seen in the fact that Iraq has made no serious attempt to link the United States with the series of upheavals which last year kept that country in confusion and which resulted in a succession of sensational treason trials.

In fact, the Iraqi-American situation has improved so greatly of late that the Iraq Government recently asked the U.S. Embassy to help it fill 230 teaching posts at Baghdad University so that it might avoid hiring further Soviet personnel.

In general, it is not easy to see how the United States could within the present con-

text of political realities appreciably improve its present foreign policy in regard to the Middle East. Washington has already demonstrated a heightened awareness of Arab sensibilities. It apparently seeks to do as little as possible to rub these sensibilities the wrong way, and it is endeavoring through a number of reportedly effective means to convince the Arabs that the United States not only has no designs against their independence but is sincerely interested in the preservation of peace and the advancement of well-being in the area. This is an effective beginning, given the bitter relationship which began with the partition of Palestine in 1947.

NORTH AFRICANS PLACATED

In still another Arabic-speaking area the United States has also managed to steer with considerable skill through excessively difficult diplomatic waters. This area is North Africa, where interest and emotion are largely focused on the effort of the Moslem underground in Algeria to win local self-determination.

Through the personal visit of President Eisenhower to the heads of state in both Morocco and Tunisia, through American willingness to negotiate over U.S. Air Force bases in the former, and through the offer of economic aid without strings, Washington has succeeded to a considerable extent in creating a not unfavorable image of the United States in those two countries.

Similarly, its shrewd voting during crucial tests in the United Nations on the Algerian issue, while not wholly satisfying either the French or their Moslem opponents, has enabled Washington to avoid offending either side too deeply.

But it is in south and southeast Asia that one of the most noticeable improvements in American foreign relations has taken place. While communism has been having its difficulties, due largely to Chinese Communist aggression along its Himalayan frontier and its actions in Tibet, the United States has, through a number of careful steps, managed to reduce Asian belief that the United States, if not exactly imperialistic itself, nonetheless was a fellow traveler of European imperialism. Through generous economic aid, but above all by the restraint which it has shown at a number of critical junctures during the past year and a half to 2 years, America has been able to remodel to a considerable extent the image of this country held by many influential Burmese, Ceylonese, Indians, Indonesians, and other Asians.

EISENHOWER GAINS NOTED

It goes without saying that the triumphal tour through this area taken late last fall by President Eisenhower only served to confirm and forward what was already a noticeable trend toward warmer relations with America on the part of the majority of non-Communist countries of south, southeast, and east Asia. Indeed, this tour seems to have had a favorable effect even in those Asian countries not included therein.

One has only to think back to the tense situation which existed 2 years ago between the United States and the Republic of Indonesia on the occasion of the Sumatran revolt, to recognize how great the improvement has been in this important corner of southeast Asia. At that time the United States was being openly accused of aiding the rebellion.

But by patient insistence upon its innocence, by carefully refraining from actions which might lend further color to these accusations, by the extension of post-revolt aid, and above all by the skillful and friendly diplomacy exercised by American Ambassador Howard P. Jones, Washington has converted its relationship with Djakarta into one of friendship and a considerable degree of mutual trust.

An equally welcome improvement has been effected in American relations with Burma. Some 8 months ago, Burma began reaccepting American aid, which it had terminated in 1953 on the grounds that it had military implications. This renewal of close American-Burman relations is the result of patient effort on Washington's part plus the generally better picture which the United States has cut in southeast Asia during the past several years.

LATIN AMERICA IMPROVED

Taken as a whole the U.S. relations with Latin America also seem to be in a period of upswing. The Eisenhower visit during late February, American restraint over Cuba, the courage shown by Vice President RICHARD M. NIXON during his South American swing, the promise of greater economic aid, the establishment of the Inter-American Development Bank—each of these has helped repair Latin American complaints of neglect on Washington's part and improve the average Latin American's image of the United States.

On the other hand, it is obvious that in certain areas of Latin America, the United States faces difficult days. No statesman would dare forecast the direction in which American-Cuban relations may move. Similarly, Washington's relations with Panama give every evidence of being headed toward some sort of crisis over the latter's demand for greater rights in the Canal Zone.

These will obviously both test Washington's diplomatic skill and have a bearing upon the continued improvement in this country's relationship to the rest of Latin America. But if Washington's course so far is any yardstick, the United States is prepared to handle these situations in such a way as not to jeopardize its new gains with Cuba's and Panama's sister republics.

Although some doubts have been expressed as to its diplomatic wisdom, Washington's move in sending a protest to the Union of South Africa deploring the loss of life in racial riots there is seen as part of America's new vigor in foreign affairs. Whatever else its effect may be, the move is almost certain to enhance American prestige among the new nonwhite nations now coming forth in Africa.

ATMOSPHERE BETTERED

Of all of the changes for the better wrought during the past several years, however, the most noticeable, in many ways, is that affecting American-Soviet relations. It is true that this is not an easy situation to evaluate, as it is susceptible to change overnight, should the Kremlin so wish. It is also true that the continuing crisis over Berlin remains a dark and somber cloud upon the horizon.

Yet it is undeniable that the present atmosphere of conversation is an improvement over the situation which previously prevailed. In like manner, the exchange of visits between President Eisenhower and Premier Nikita S. Khrushchev cannot be dismissed as merely worthless window dressing. The continued edging toward some kind of agreement on the control of atomic tests and armaments is a helpful and hopeful sign, even if it would be dangerous naivete to pin too great hopes thereon at the present time.

While this somewhat easier situation between the United States and the Soviet Union is undoubtedly traceable in large part to Moscow's belief that it best serves Soviet purposes at the moment, it should not be overlooked that the greater flexibility in world affairs which Washington has shown during the past 18 months or so has contributed substantially to this improvement.

At present criticism of the White House and State Department emphasizes the three following points which pertain, in part at least, to foreign policy. One is that the United States is not exercising adequate world leadership. A second is that foreign aid is not what it should be. The third is that America's defense position has deteriorated in comparison with that of the Soviet Union during the past few years.

The charge that the United States is not exercising adequate world leadership is an interesting one from several points of view. It is undeniable that today, 15 years after the end of World War II, Washington does not have the commanding voice in world affairs which it had, say, 5 or 10 years ago.

There are those who ask, however, whether this decline (1) was not inevitable and (2) was not actually desirable. They point out, in fact, that the entire purpose of American foreign policy during the past decade and a half has been directed toward enabling other countries to stand upon their own feet, make their own decisions, and thereby lessen, rather than increase, their dependency upon the United States.

From this point of view, may not the decline in American leadership actually represent a victory for American foreign policy? It is obvious that this line of argument cannot be carried to the point of advocating the abrogation of all American leadership. Nor does it mean that America can afford to stop thinking in global terms. This would be as dangerous as it would be foolish. But one cannot dismiss out of hand the argument that the increasing independence which many nations, which once felt obliged to follow American policy willy-nilly, are now showing may well constitute one of the greatest triumphs of American foreign policy.

In regard to the adequacy of foreign aid, if there has been any shortcoming here, it is attributable to the country as a whole, rather than to any one man, agency, or political party. Observers in Washington generally agree that Eisenhower has fought more vigorously for foreign aid than for almost any other cause. In this he has been seconded by administration officials. If he has been frustrated in obtaining the level of aid desired, the fault lies as much with one political party as with the other.

Of the varying charges made against the present administration in Washington, whether sincerely or for political purposes, the one which has produced the widest repercussions is that of having neglected this country's defenses. Specifically, the charge is made that the United States has now fallen behind the Soviet Union in both conventional and space weaponry.

INFLUENCE SMALL

Such a charge belongs in a discussion of a nation's foreign policy only so far as it can be shown that the former affects the latter. So far, and this frequently comes as a surprise to Americans, there is little evidence that the influence of the United States has declined as a result of any change in this country's military strength vis-a-vis the Soviet Union. The general feeling in the rest of the world seems to be that, regardless of any alteration in the American-Soviet military balance, both nations possess such tremendous military might that such alterations no longer are significant. How sound this view is remains to be seen. But to date there is little or no evidence that the United States has been seriously handicapped or set back in the conduct of foreign affairs through an alleged neglect of its armaments.

No serious observer would or could attempt to deny that many grave problems lie ahead of the United States in the field of foreign affairs. Equally, none would deny that this country has behind it many missed or but half-seized opportunities. On the other hand, there is citable evidence that, during the past several years, American foreign policy has had a number of quiet, yet effective triumphs and that, contrary to the predictions of critics, the United States is markedly better off in its foreign relations than these critics had forecast.

Mr. FLYNN. Mr. Chairman, the House of Representatives has devoted a large share of its time to consideration of committee reports on the authorization bill to provide funds for foreign aid. It is otherwise known as the mutual security authorization bill, H.R. 11510.

Following World War II, the expenditure of American dollars to help our European allies rebuild their countries and to bolster them in their fight against communism was, in effect, helping the United States. There are certain areas in the world today where the expenditure of American dollars is essential to safeguard and protect otherwise defenseless people from Communist aggression of either a political or economic kind. I refer to the support of troops at the 38th parallel, to the defense of Chinese troops on Formosa, to the retarding of aggression in Vietnam, in Laos, and in other trouble spots in the Near East. I recognize also that our mutual security program has saved such nations as Greece, Turkey, Italy, West Germany, and possibly France from communism and certainly this has justified much of the foreign aid expenditures of American taxpayers since 1946.

During these past 16 years, however, great changes have taken place of a social, political, and economic nature throughout the world. Many of the nations we have aided have rebuilt their economy on a sounder basis than our own. Many of these nations enjoy a higher degree of prosperity than the taxpayers of this country enjoy. These countries should now bear their full share of the cost of aiding weaker nations and newer nations to protect themselves against the political and economic onslaught of Communist aggression.

The foreign aid program should be under review on a daily basis, not on an annual basis. The State Department and ICA—the International Cooperation Administration—have built vast bureaucratic organizations administering the foreign aid program. The program has become so complex, so diversified, and so inefficient as to require a complete renovation. Those administering the program no longer look for ways of making the program more economical for the American taxpayers, but rather seek ways of spending the foreign aid funds which they feel a docile Congress will provide, on a bipartisan basis, at the request of the President of the United States. Congress is denied much information as to the method and manner of spending foreign aid funds, as to what area it is spent in, and on what projects it is spent. Congress is expected to write a blank check for billions of dollars annually and is expected to permit agencies to plan the spending and to spend the same, even though Congress has no control over these agencies.

We witness, in the present bill, $80,000 being spent to send 20 students to school for 5 months at Johns Hopkins University and Boston University. We see many millions of dollars being spent to build high schools and colleges in Ethiopia and in other African nations. We see millions being spent to economically develop Africa and we see many, many other millions being spent to lend both military and economic aid to other nations throughout the world—all this at the expense of the American taxpayer, under a program where their Representatives in Congress have no voice in the spending but have delegated absolute power to the State Department, to ICA, and others. We see the farmers of so-called underdeveloped nations receiving substantial benefits to the tune of many millions of American taxpayers' dollars from these foreign aid funds. We hear rumors of hospitals being built in foreign countries, of railroads being built in Italy and we hear tell of foreign aid funds being used at the rate of $1 million per mile to build a 300-foot-wide highway with underpasses, overpasses, and cloverleaf approaches—the Saigon-Bien Hoa Highway in Vietnam—and we understand that this uncompleted road will be continued with foreign aid funds anticipated in the bill presently before Congress and those to be presented in future years.

While all this takes place and while a majority of Democrats on a bipartisan approach to foreign policy support President Eisenhower in his request for passage of the bill to authorize funds for foreign aid and the items above set forth, plus many others, President Eisenhower has, nevertheless, asked Congress, and particularly the Republican Members thereof, to vote against almost every bill which provides any funds or program to aid or assist the American people. The farmers will witness this session of Congress attempt to deny further agricultural funds to carry on the soil bank program which is due to terminate at the end of 1960. The numerous areas throughout the country that are underdeveloped will find it impossible to secure the passage of the bill to aid the underdeveloped areas through a study and a joint plan of cooperation between the community and the Government to make economic taxpaying units out of areas that have long been uneconomic and underdeveloped.

FHA mortgage insurance which is due to terminate will have a difficult time securing approval in this session of Congress. The VA loan program will be permitted to die and the direct VA loan program has been virtually inoperative for the past 2 years. The 30-year mortgage guaranteed by FHA is virtually a thing of the past. High interest rates prevail for businessmen who seek loans to carry on legitimate business activities. If the Government does nothing to assist the people or our economy through a program that would compel lower interest rates, the whole industry suffers drastically for failure of the Government to act. Small businesses go bankrupt because of our own insecure economic position, and the Government does nothing to aid the small businessman.

We now see our Government actively engaged in a program to encourage and induce American industry to expand and develop in foreign countries. This takes jobs away from Americans and takes taxes away from the United States, as well as from the individual States and local units of government. The Government permits foreign imported products to enter this country in continually expanding amounts to sell in competition with American-made products. This brings down the wage scale of American working men and women and eventually results in a substantially lower standard of living for the American working people. The Government actually encourages this under the guise of helping redevelop the underdeveloped nations of Europe and is heard to say that this program is, in effect, a foreign-aid program.

The gentleman from Louisiana, Congressman PASSMAN, chairman of the subcommittee hearing the foreign aid bill, has documented the statement that our present foreign aid program is costing the American taxpayers in excess of $11 billion a year. When you add to this American business which is being encouraged to develop in Europe, you can see that the cost of foreign aid to the American people, both in out-of-pocket dollars and in lost revenue, wages and taxes is staggering. This country still has 5 million unemployed men and women. It has long suffered and continues to suffer from a major farm depression. Small business faces its most severe economic test of this generation and a large percentage of them are being forced to quit or go bankrupt. American industry and big business is feeling the economic pinch of trying to compete in wages and costs against the substandard wages and living costs of foreign countries.

In spite of all of this, we are asked to authorize more billions of American taxpayers dollars to aid foreign countries while every American aid program that is mentioned is sacrificed and denied on the theory that we cannot afford it and we cannot unbalance the budget.

I have always favored foreign aid and mutual security in the past. I, at this time, would vote for a reasonable expenditure for foreign aid and mutual security in those areas where such aid is essential to build an ally strong enough to enable them to resist Communist aggression of either a direct physical or economic kind. I am not permitted to vote for such a sane and sensible bill. I must make the choice of voting for a bill that continues to enable those administering the program to boondoggle American tax dollars on public works programs throughout the world and on foreign aid programs which have little if any relationship to the rebuilding of those nations as strong units to resist communism.

The rules of the House of Representatives do not permit me to vote in favor of needed funds but rather requires me to vote for the entire wasteful program or to vote against the entire wasteful program. Under those circumstances, the only hope that a Member of Congress has to remedy the situation is to voice his protest by voting against the entire wasteful program in the hope that the authorization bill will be defeated and that the ICA and State Department will

be forced to submit to Congress, through our Foreign Affairs Committees, a program which will be reduced to provide only the necessities and to eliminate the grossly mismanaged and unnecessary expenditures that have been made in the past and that are provided for in the present foreign aid authorization bill. I, therefore, am forced to make the decision in the best interests of the American taxpayers, American citizens, and the country as a whole that I must vote against the foreign aid authorization bill. In doing so, I promise to fight to secure such funds as are needed to carry on a reasonable mutual security program. This, of course, will only be possible if enough votes are secured to defeat the pending measure.

I may summarize this by saying that I do not oppose mutual security but I do oppose the mismanagement and gross waste which has characterized the program, and I must point out that if we can afford billions to assist the economic recovery of foreign nations, we can afford a reasonable amount of money to assist the building industry, the farmers, to provide slum clearance and urban renewal, to fight unemployment, and to aid the business climate of the United States and to help big business, through protecting the American markets for products which they manufacture.

I, therefore, will vote "no" on the foreign aid authorization bill for 1960.

The CHAIRMAN. If there are no further amendments, under the rule the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11510) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, pursuant to House Resolution 502, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The question is on the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mrs. CHURCH. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentlewoman opposed to the bill?

Mrs. CHURCH. I am.

The SPEAKER. The gentlewoman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mrs. CHURCH moves to recommit the bill H.R. 11510 to the Committee on Foreign Affairs.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. GROSS. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 243, nays 130, not voting 58, as follows:

[Roll No. 54]

YEAS—243

Addonizio	Fulton	Moss
Albert	Gallagher	Multer
Anfuso	Garmatz	Mumma
Arends	Gary	Murphy
Ashley	George	Natcher
Aspinall	Giaimo	Nelsen
Avery	Gilbert	Nix
Ayres	Glenn	O'Brien, Ill.
Baker	Goodell	O'Brien, N.Y.
Baldwin	Granahan	O'Hara, Ill.
Barrett	Green, Oreg.	O'Hara, Mich.
Barry	Green, Pa.	O'Neill
Bates	Griffin	Osmers
Baumhart	Griffiths	Ostertag
Beckworth	Gubser	Pelly
Bennett, Fla.	Hagen	Perkins
Bentley	Halleck	Philbin
Blatnik	Halpern	Pillion
Boggs	Hardy	Pirnie
Boland	Healey	Porter
Bolling	Herlong	Price
Bolton	Hess	Prokop
Bowles	Hoeven	Pucinski
Boykin	Hollfield	Quie
Brademas	Holtzman	Quigley
Breeding	Hosmer	Rabaut
Brewster	Huddleston	Randall
Brooks, Tex.	Ikard	Ray
Broomfield	Inouye	Reuss
Broyhill	Irwin	Rhodes, Pa.
Buckley	Jarman	Riehlman
Burdick	Johnson, Calif.	Rivers, Alaska
Burke, Ky.	Johnson, Md.	Robison
Burke, Mass.	Johnson, Wis.	Rodino
Byrne, Pa.	Jones, Ala.	Rogers, Colo.
Byrnes, Wis.	Jones, Mo.	Rogers, Mass.
Cahill	Judd	Roosevelt
Canfield	Karsten	Rostenowski
Carnahan	Karth	Santangelo
Celler	Kasem	Schenck
Chamberlain	Kastenmeier	Schwengel
Chelf	Kearns	Selden
Chenoweth	Kee	Shelley
Chiperfield	Keith	Sheppard
Clark	Kelly	Slack
Coad	Kilburn	Smith, Iowa
Cohelan	Kilday	Smith, Miss.
Conte	King, Calif.	Spence
Corbett	Kirwan	Springer
Cramer	Kluczynski	Staggers
Curtin	Kowalski	Stubblefield
Curtis, Mass.	Kyl	Sullivan
Curtis, Mo.	Lane	Taber
Daddario	Langen	Teague, Calif.
Dague	Lankford	Teller
Daniels	Lesinski	Thompson, N.J.
Dawson	Libonati	Thornberry
Delaney	Lindsay	Toll
Dingell	Loser	Tollefson
Dixon	McCormack	Trimble
Donohue	McDowell	Udall
Dooley	McFall	Ullman
Dorn, N.Y.	Macdonald	Vanik
Downing	Machrowicz	Van Zandt
Doyle	Madden	Vinson
Durham	Magnuson	Wainwright
Dwyer	Mahon	Wallhauser
Edmondson	Maillliard	Walter
Elliott	Marshall	Watts
Fallon	Martin	Weis
Farbstein	Matthews	Westland
Fascell	May	Widnall
Feighan	Merrow	Wier
Fino	Metcalf	Wilson
Flood	Miller, Clem	Wolf
Fogarty	Miller, George P.	Wright
Foley	Miller, N.Y.	Yates
Forand	Milliken	Younger
Ford	Mills	Zablocki
Frazier	Moorhead	Zelenko
Frelinghuysen	Morgan	
Friedel		

NAYS—130

Abbitt	Alford	Bailey
Abernethy	Allen	Barling
Adair	Andrews	Barr
Alexander	Ashmore	Bass, Tenn.
Becker	Harrison	Pilcher
Belcher	Hechler	Poage
Bennett, Mich.	Hemphill	Poff
Berry	Henderson	Preston
Betts	Hiestand	Reece, Tenn.
Blitch	Hoffman, Ill.	Rees, Kans.
Bosch	Hoffman, Mich.	Rhodes, Ariz.
Bow	Hogan	Riley
Bray	Holt	Rivers, S.C.
Brooks, La.	Hull	Rogers, Fla.
Brown, Ga.	Jennings	Roush
Brown, Mo.	Jensen	Rutherford
Brown, Ohio	Johansen	Scherer
Budge	Jonas	Scott
Cannon	Kilgore	Shipley
Casey	Kitchin	Short
Cederberg	Knox	Sikes
Church	Laird	Siler
Collier	Landrum	Simpson, Ill.
Colmer	Latta	Smith, Calif.
Cook	Lennon	Smith, Kans.
Cunningham	Levering	Smith, Va.
Davis, Ga.	McCulloch	Stead
Denton	McDonough	Stratton
Derwinski	McGinley	Thomas
Devine	McMillan	Thompson, Tex.
Dorn, S.C.	McSween	Thomson, Wyo.
Dulski	Meyer	Tuck
Everett	Michel	Utt
Flynn	Minshall	Van Pelt
Flynt	Moeller	Wampler
Forrester	Moore	Weaver
Fountain	Morris, Okla.	Wharton
Gathings	Morrison	Whitener
Gray	Murray	Whitten
Gross	Norrell	Williams
Haley	O'Konski	Willis
Hargis	Passman	Winstead
Harmon	Patman	
Harris	Pfost	

NOT VOTING—58

Alger	Fisher	Montoya
Andersen, Minn.	Gavin	Morris, N. Mex.
	Grant	Moulder
Anderson, Mont.	Hays	Norblad
	Hébert	Oliver
Auchincloss	Holland	Powell
Barden	Horan	Rains
Bass, N.H.	Jackson	Roberts
Bonner	Johnson, Colo.	Rogers, Tex.
Brock	Keogh	Rooney
Burleson	King, Utah	St. George
Coffin	Lafore	Saund
Cooley	Lipscomb	Saylor
Davis, Tenn.	McGovern	Sisk
Dent	McIntire	Taylor
Derounian	Mack	Teague, Tex.
Diggs	Mason	Thompson, La.
Dowdy	Meader	Withrow
Evins	Mitchell	Young
Fenton	Monagan	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Brock against.

Mr. Keogh for, with Mr. Fisher against.

Mr. Rooney for, with Mr. Dent against.

Mr. Roberts for, with Mr. Barden against.

Mr. Auchincloss for, with Mr. Withrow against.

Mr. Fenton for, with Mr. Lipscomb against.

Mr. Bass of New Hampshire for, with Mr. Alger against.

Mr. Meader for, with Mr. Saylor against.

Mr. Derounian for, with Mr. McIntire against.

Mr. Horan for, with Mr. Gavin against.

Mr. Mitchell for, with Mr. Moulder against.

Mr. Rains for, with Mr. Bonner against.

Mr. Sisk for, with Mr. Dowdy against.

Mr. Davis of Tennessee for, with Mr. Andersen of Minnesota against.

Mr. Evins for, with Mr. Mason against.

Mr. Montoya for, with Mr. Young against.

Mr. Morris of New Mexico for, with Mr. Burleson against.

Mr. McGovern for, with Mr. Grant against.

Mr. Holland for, with Mr. Rogers of Texas against.

Mr. Monagan for, with Mr. Thompson of Louisiana against.

Until further notice:

Mr. Oliver with Mr. Lafore.

Mr. Powell with Mr. Jackson.

Mr. Diggs with Mr. Norblad.

Mr. Saund with Mrs. St. George.
Mr. King of Utah with Mr. Taylor.

Mr. COOK, Mr. BAILEY, and Mr. BECKER changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks in the RECORD on the mutual security bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

INCOME TAX TREATMENT OF NONREFUNDABLE CAPITAL CONTRIBUTIONS TO FEDERAL NATIONAL MORTGAGE ASSOCIATION

Mr. MILLS submitted the following conference report and statement on the bill (H.R. 7947) relating to the income tax treatment of nonrefundable capital contributions to Federal National Mortgage Association:

CONFERENCE REPORT (H. REPT. No. 1547)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7947) relating to the income tax treatment of nonrefundable capital contributions to Federal National Mortgage Association, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 2 and agree to the same.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
N. M. MASON,
JOHN W. BYRNES,
Managers on the Part of the House.

HARRY F. BYRD,
ROBT. S. KERR,
J. ALLEN FREAR, JR.,
JOHN J. WILLIAMS,
FRANK CARLSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7947) relating to the income tax treatment of nonrefundable capital contributions to Federal National Mortgage Association, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: This is a clerical amendment. The House recedes.

Amendment No. 2: The bill as passed by both the House and the Senate would add a new subsection (d) to section 162 of the Internal Revenue Code of 1954 to provide, for purposes of the Federal income tax, that whenever the amount of capital contributions evidenced by a share of stock issued pursuant to section 303(c) of the Federal National Mortgage Association Charter Act exceeds the fair market value of the stock as of the issue date of such stock, the initial holder of the stock shall treat the excess as ordinary and necessary expenses paid or incurred during the taxable year in carrying on a trade or business. The bill also adds a new section 1054 to the code to provide that the basis of such stock is to be reduced by the amount required by the new section 162(d) to be treated as ordinary and necessary expenses paid or incurred in carrying on a trade or business.

Section 3 of the bill as passed by the House provided that the amendments made by the bill shall apply with respect to taxable years beginning after December 31, 1958.

Under Senate amendment No. 2, the amendment made by the first section of the bill is to apply with respect to taxable years beginning after December 31, 1959. In addition, in the case of any taxable year beginning before January 1, 1960, to which the 1954 code applies (that is, a taxable year beginning after December 31, 1953, and ending after August 16, 1954), the new section 162(d) is to apply if the conditions of either paragraph (1) or paragraph (2) of the new section 3(a) are satisfied.

Under paragraph (1), the taxpayer in computing his taxable income for such taxable year (as shown on his return filed not later than the time prescribed by law, including any extension thereof) must have—

(A) Claimed a deduction, with respect to the sale of a mortgage to the Federal National Mortgage Association, in respect of any amount of capital contributions evidenced by a share of stock issued pursuant to section 303(c) of the Federal National Mortgage Association Charter Act, or

(B) Computed the proceeds from such a sale by treating the value of any such share received for any such capital contributions as an amount less than the issue price of such share.

Also, before the date of the enactment of the bill, such deduction or treatment must not have been disallowed, or, if disallowed, the deficiency attributable thereto must not have been paid and must not have been used to reduce an overpayment the balance of which (if any) has been refunded or credited.

Under paragraph (2) of section 3(a) of the bill, after the time prescribed by law for filing the taxpayer's return for the taxable year (including any extension thereof) and before the date of the enactment of the bill—

(A) The taxpayer must have claimed the deduction or treatment described above (whether by filing a claim for refund or credit in respect of an overpayment, or otherwise), and

(B) Such deduction or treatment must have been allowed and either (i) an overpayment resulting from such allowance has been refunded or credited, or (ii) a deficiency for such taxable year has been reduced as a result of such allowance and the balance of such deficiency (if any) has been paid.

Under Senate amendment No. 2, the amendment made by section 2 of the bill is to apply, in the case of any taxpayer, with respect to any taxable year (including a taxable year beginning before January 1, 1960), in respect of any share of stock issued pursuant to section 303(c) of the Federal National Mortgage Association Charter Act, only if the amendment made by the first section of the bill applies with respect to the taxable year in which such share was issued.

The House recedes.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
N. M. MASON,
JOHN W. BYRNES,
Managers on the Part of the House.

INCOME TAX TREATMENT OF CERTAIN DEALERS' RESERVES

Mr. MILLS submitted the following conference report and statement on the bill (H.R. 8684) to provide transitional provisions for the income tax treatment of dealer reserve income:

CONFERENCE REPORT (H. REPT. No. 1548)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8684) to provide transitional provisions for the income tax treatment of dealer reserve income, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 7.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, and 14, and agree to the same.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
N. M. MASON,
JOHN W. BYRNES,
Managers on the Part of the House.

HARRY F. BYRD,
ROBT. S. KERR,
J. ALLEN FREAR, Jr.,
FRANK CARLSON,
WALLACE F. BENNETT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8684) to provide transitional provisions for the income tax treatment of dealer reserve income, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendments Nos. 1, 4, 12, and 14: These amendments are technical, clerical, or conforming.

The House recedes.

Amendment No. 2: The bill as passed by the House did not apply to a taxpayer unless he computed his taxable income under an accrual method of accounting for his most recent taxable year ending on or before June 22, 1959. Senate amendment No. 2 makes it clear that a taxpayer will satisfy this provision if he was required to compute his taxable income under an accrual method for such taxable year even though he may have originally computed his taxable income for such year under some other method.

The House recedes.

Amendment No. 3: Under the bill as passed by the House, a taxpayer who is eligible for the tax treatment afforded by the bill was required to make an election under section 3(a) or 4(a) of the bill before July 1, 1960. Senate amendment No. 3 extends this date to September 1, 1960.

The House recedes.

Amendments Nos. 5, 6, and 13: Under the bill as passed by the House, an election under either section 3(a) or 4(a) of the bill applied, in general, to taxable years with respect to which the period of limitations for assessment of a deficiency, or refund or credit of an overpayment, had not expired at the time the election is made. Senate amendments Nos. 5 and 6 provide that an election under either of these sections will apply to taxable years with respect to which the period of limitations had not expired on June 21, 1959, even though

the period may have expired after that date and before the date of the election.

Senate amendment No. 13 adds a new subsection (e) to section 5 of the bill as passed by the House. Paragraph (1) of this new subsection (e) provides for an extension of the period of limitations for assessment, refund, or credit in the case of taxpayers who make an election under either section 3(a) or 4(a) of the bill. Under this paragraph, if the assessment of any deficiency, or the refund or credit of any overpayment, for any taxable year was not prevented on June 21, 1959, by the operation of any rule of law, but would be so prevented prior to September 1, 1961, the period within which assessment, refund, or credit may be made, shall not expire prior to September 1, 1961.

Under the new section 5(e)(2), if the assessment of any deficiency, or the refund or credit of any overpayment, for any taxable year is prevented on the date the taxpayer elects to have the provisions of sections 3 or 4 of the bill apply, by the operation of the provisions of chapter 74 of the Internal Revenue Code of 1954 (relating to closing agreements and compromises) or by the comparable provisions of the Internal Revenue Code of 1939, such assessment, or such refund or credit, shall be considered as having been prevented on June 21, 1959. Therefore an election under section 3(a) or section 4(a) of the bill will not apply to such a taxable year.

The House recedes.

Amendment No. 7: The bill as passed by the House provides that, if the net increase in tax (as defined in the bill) which results solely from the effect of an election under section 4(a) of the bill exceeds $2,500, the taxpayer may elect to pay any portion of such net increase which is unpaid on the date of the election in 2 or more, but not to exceed 10, annual installments. Senate amendment No. 7 reduced the maximum number of installments from 10 to 5.

The Senate recedes.

Amendments Nos. 8, 9, and 10: Under section 4(b) of the bill as passed by the House, certain conditions were specified under which the privilege of paying in installments provided for taxpayers who made an election under section 4(a) of the bill terminated, and the unpaid installments became payable on notice and demand. One of these conditions occurred if the individual, the partnership of which he is a member, or the corporation, as the case may be, ceased to engage in the trade or business in which the dealer reserve income arose. Senate amendments Nos. 8, 9, and 10 change this condition so that the privilege is to be terminated, in the case of an individual or a corporation, if the taxpayer ceases to engage in any trade or business, or in the case of a taxpayer who is a partner, if the partnership terminates.

The House recedes.

Amendment No. 11: Under the bill as passed by the House, the term "dealer reserve income" was defined to mean that part of the consideration derived by a dealer from the sale or disposition of customers' evidences of indebtedness (or derived from finance charges connected with such sales or dispositions), which is attributable to sales of real or tangible personal property by the dealer in the ordinary course of his trade or business and which is held in a reserve account by the financial institution to which the dealer disposed of such evidences of indebtedness. Senate amendment No. 11 adds to this definition of dealer reserve income that part of the consideration derived by a dealer from such a sale of real or tangible personal property in cases where the financial institution provides part or all of the purchase price of the property to or for the customer (or that part of the consideration derived by a dealer from the finance charges connected with the financing of such sale), which is held in a reserve account by the financial institution which financed the sale.

The House recedes.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
N. M. MASON,
JOHN W. BYRNES,
Managers on the Part of the House.

PROCEDURE FOR ASSESSING CERTAIN ADDITIONS TO TAX

Mr. MILLS submitted the following conference report and statement on the bill (H.R. 9660) to amend section 6659(b) of the Internal Revenue Code of 1954 with respect to the procedure for assessing certain additions to tax:

CONFERENCE REPORT (H. REPT. No. 1549)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9660) to amend section 6659(b) of the Internal Revenue Code of 1954 with respect to the procedure for assessing certain additions to tax, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 2.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: Strike out the last two lines on page 1 and the first two lines on page 2 of the Senate engrossed amendments and insert:

"(i) is the mother or father of the taxpayer or of his spouse, and".

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
N. M. MASON,
JOHN W. BYRNES,
Managers on the Part of the House.

HARRY F. BYRD,
ROBT. S. KERR,
J. ALLEN FREAR, Jr.,
FRANK A. CARLSON,
By W. B.
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9660) to amend section 6659(b) of the Internal Revenue Code of 1954 with respect to the procedure for assessing certain additions to tax, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The first section of the bill, as passed by the House, dealt with the procedure for assessing certain additions to tax. Section 2 of the bill, as passed by the House, contained effective date provisions relating to the first section of the bill. There was no Senate amendment to the first two sections of the bill.

Amendment No. 1: Senate amendment No. 1 adds a new section 3 to the bill. Section 3(a) amends section 213(a) of the Internal Revenue Code of 1954 (relating to deduction for medical, dental, etc., expenses). Section 213(a) of existing law provides as a general rule that a taxpayer may deduct medical and dental expenses for the care of himself, his spouse, and his dependents only to the extent that they exceed 3 percent of the taxpayer's adjusted gross income. Under existing section 213(a), the 3-percent limitation is removed with respect to medical and dental expenses for the care of the taxpayer or his spouse if either has attained the age of 65 before the close of the taxable year.

Under Senate amendment No. 1, the 3-percent limit would also be removed in the case of medical and dental expenses incurred by the taxpayer for the care of his dependent mother or father, the dependent mother or father of his spouse, or a dependent individual who stands in loco parentis to the taxpayer or his spouse, if such dependent has attained the age of 65 before the close of the taxable year.

Section 3(b) of the bill, as added by Senate amendment No. 1, provides that the amendment to section 213(a) of the 1954 code made by section 3(a) of the bill is to apply to taxable years beginning after December 31, 1959.

The House recedes with an amendment. Under the amendment the removal of the 3-percent limitation is applicable in the case of a dependent mother or father of the taxpayer or a dependent mother or father of the taxpayer's spouse, if such mother or father has attained the age of 65 before the close of the taxable year. No change is made in existing law in the case of a dependent individual who stands in loco parentis to the taxpayer or his spouse.

Amendment No. 2: Senate amendment No. 2 added a new section 4 to the bill, relating to the allowance (under certain specified circumstances) of a deduction of $600 to a taxpayer who has as a member of his household, for a period of not less than 7 calendar months, a foreign student enrolled in the 9th, 10th, 11th, or 12th grade at an educational institution. The Senate recedes.

Amendment to the title: The Senate amendment to the title of the bill amended it to read: "An Act to amend section 6659(b) of the Internal Revenue Code of 1954 with respect to the procedure for assessing certain additions to tax, and for other purposes."

The House recedes.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
N. M. MASON,
JOHN W. BYRNES,
Managers on the Part of the House.

DISPENSING WITH BUSINESS IN ORDER ON CALENDAR WEDNESDAY OF NEXT WEEK

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

WASHINGTON METROPOLITAN PROBLEMS

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the

Calendar No. 1319

86TH CONGRESS
2d Session

SENATE

REPORT
No. 1286

THE MUTUAL SECURITY ACT OF 1960

REPORT

OF THE

COMMITTEE ON FOREIGN RELATIONS

UNITED STATES SENATE

ON

S. 3058

APRIL 22, 1960.—Ordered to be printed

Filed under authority of the order of the Senate of April 20, 1960

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[1] Chairman emeritus.

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Calendar No. 1319

86TH CONGRESS, 2d Session | SENATE | REPORT No. 1286

THE MUTUAL SECURITY ACT OF 1960

APRIL 22, 1960.—Ordered to be printed
Filed under authority of the order of the Senate of April 20, 1960

Mr. FULBRIGHT, from the Committee on Foreign Relations, submitted the following

REPORT

[To accompany S. 3058]

The Committee on Foreign Relations, having had under consideration the bill (S. 3058), to amend further the Mutual Security Act of 1954, as amended, and for other purposes, reports it favorably with an amendment in the nature of a substitute and recommends that it be passed by the Senate:

1. MAIN PURPOSE OF THE BILL

The main purpose of the bill is to authorize appropriations for those portions of the mutual security program which remain on an annual basis. These are principally defense support, technical cooperation, special assistance, and the President's contingency fund. For these and a number of smaller programs, the bill authorizes total appropriations for fiscal year 1961 of not to exceed $1,425,500,000.

2. What the Bill Provides

The bill authorizes the following appropriations, as compared with the administration request and the action of the House:

	Administration request	House bill	Senate committee bill
Defense support	$724,000,000	$675,000,000	$700,000,000
Bilateral technical cooperation	172,000,000	172,000,000	172,000,000
U.N. technical cooperation	33,000,000	33,000,000	33,000,000
OAS technical cooperation	1,500,000	1,500,000	1,500,000
Special assistance	268,500,000	256,000,000	260,000,000
U.N. High Commissioner for Refugees	1,500,000	1,500,000	1,100,000
Escapees	3,500,000	3,500,000	3,500,000
U.N. Children's Fund	12,000,000	12,000,000	12,000,000
Palestine refugees	18,500,000	18,500,000	[1] 22,000,000
Ocean freight	2,000,000	2,000,000	2,000,000
ICA administration	40,000,000	40,000,000	40,000,000
Atoms for peace	3,400,000	3,400,000	3,400,000
Contingency fund	175,000,000	100,000,000	175,000,000
Total	1,454,900,000	1,318,400,000	1,425,500,000

[1] Unobligated funds of approximately $6,500,000 which the administration and House bills would have made available for use in 1961 are to revert to the Treasury.

In addition, the bill contains these major provisions:

1. Military assistance, other than training, for Latin America is limited to $55 million, a ceiling $2 million below the program proposed by the administration (sec. 101(a)).

2. Recognition is given to the importance of free economic institutions and the stimulation of private investment in housing in rapidly developing countries, and the sense of Congress is expressed that the Development Loan Fund should assist savings and loan type institutions and guarantee private U.S. capital available for housing investments in Latin America (sec. 202).

3. The President is directed to arrange for a study of the advisability of establishing a Point 4 Youth Corps (sec. 203(c)).

4. Not less than $175 million of the 1961 funds, other than for the DLF, are earmarked for the export of surplus agricultural commodities (sec. 204(c)).

5. Authority is provided to use funds for the Indus Basin development under the supervision of the International Bank for Reconstruction and Development in accordance with the Bank's standards and procedures rather than those provided by the Mutual Security Act or other U.S. laws (sec. 204(e)).

6. The provision earmarking 10 percent of Palestine refugee funds for repatriation or resettlement is repealed. After January 1, 1961, U.S. contributions to the U.N. Relief and Works Agency cannot be used for programs of relief which heretofore have been administered on the basis of ration cards except for refugees whose need and eligibility for relief has been certified after July 1, 1960. The President is directed to send to Congress next year specific recommendations for the progressive repatriation and resettlement of refugees and for reducing U.S. contributions to UNRWA (sec. 204(h)).

7. Authority is provided, subject to the later approval of Congress, to participate to a limited extent in an internationally financed program to preserve the great cultural monuments which would otherwise be flooded in upper Nile Basin as a result of construction of the Aswan Dam (sec. 401(a)).

8. Authority is given to chiefs of diplomatic missions to govern the extent to which employees of the Government and of Government contractors shall receive their pay and allowances abroad in local currencies (sec. 401(e)).

9. Title II of the Agricultural Trade Development and Assistance Act (Public Law 480) is amended so as to authorize grants of surplus agricultural commodities for economic development as well as for relief (sec. 601(b)).

10. The ceiling of $3 million on U.S. annual contributions to the United Nations Food and Agriculture Organization is repealed (sec. 603), and the ceiling of $75,000 on contributions to the South Pacific Commission is increased to $100,000 (sec. 604).

11. The President is directed to have a study made of the functions and coordination of agencies engaged in foreign economic activities "with a view to simplifying and rationalizing the formulation and implementation of United States foreign economic policies" (sec. 606).

12. Authority is provided for matching grants of not more than $1 million a year in the aggregate to colleges and universities to aid programs of counseling, orientation, and English language training for foreign students (sec. 605).

3. Background and Committee Action

The President requested this legislation in a message to Congress February 16 (H. Doc. 343), and a bill (S. 3058) incorporating the President's proposals was introduced by Senator Fulbright by request February 18. The Committee on Foreign Relations held hearings from March 22 to April 5 in the course of which it received the views of the Secretary of State and other officials charged with the policy-making and administrative aspects of the program as well as the views of 19 private citizens and one Senator who requested to be heard.

The committee considered the bill and all amendments which had been introduced in executive session beginning April 6 and on April 20 voted to report it favorably to the Senate as amended.

Because of the action of the Congress last year in authorizing military assistance and Development Loan Fund appropriations on a multiyear basis, S. 3058 is more restricted in scope than has been the case with mutual security bills in prior years. Except for special authority regarding use of funds for development of the Indus Basin in south Asia, and a new policy statement favoring loans and guarantees for housing, the bill contains little that is new.

The illustrative program presented by the administration reflects a greater concentration of effort in nonmilitary assistance for countries, specifically, India, Pakistan, and Taiwan, where conditions are particularly favorable for a burst of economic growth. The concentration of effort is directly related to demonstrated practice or clear current intention of aided countries progressively to devote their own resources to development and to move toward the most effective economic and social policies.

The policy involved here is welcome. It is, in essence, a policy of exerting the greatest effort at the points where the greatest results may be expected. It indicates greater maturity and sophistication in the approach to foreign aid and represents at least some shift away from the scattershot approach which has been at the root of many criticisms of the program.

The committee calls attention, however, to the fact that several other countries, notably in Latin America, are in the same position as India, Pakistan, and Taiwan in that additional increments of capital would lead to a great deal more development. The committee hopes that the shift in emphasis to countries with better prospects for growth will not be confined to Asia and that the lending institutions of the U.S. Government, as well as of international agencies, will give particular attention to the needs of those Latin American countries which are likewise ready for the economic takeoff.

The administration's illustrative program this year also includes a special assistance fund of $20 million for sub-Saharan Africa, an area urgently demanding the higher priority thus accorded it. The economic problems here are totally different from those in, say, India, and any significant economic development must be preceded by a long period of improvement in education and health. As the committee understand it, this is also the view of the administration and the purpose of the programs proposed for Africa. Although included under the special assistance category of aid, this fund will be used mainly for particularly intensive assistance of a technical cooperation type.

The committee continues to be impressed with the fact that there is no reasonable alternative to the mutual security program as an instrument of U.S. foreign policy. The only alternative presented by any of the witnesses at the committee's hearings was higher defense spending at home. The committee does not comment here on the adequacy of the administration's defense budget; but whatever the needs of our national defense may be, meeting those needs will do nothing to promote our political and economic interests in Asia, Africa, and Latin America. A stronger Strategic Air Command will not deter or inhibit Communist subversion; nor would it provide any effective defense against the failure of the efforts of the peoples of Asia, Africa, and Latin America to establish reasonably free and viable economies and political systems. Over the long run, the accomplishment of these purposes is equally as essential to the United States as is the deterrence of Soviet military aggression, and it is to this end that the mutual security program is directed.

In assessing this program, one is struck with a paradox. It has been supported strongly since its inception by every President, every Secretary of State, every Secretary of Defense, every Chairman of the Joint Chiefs of Staff, and every Congress. It has likewise been endorsed by most of the private citizens groups that have thoroughly studied it, by countless advisory committees, and by most of the major private business, labor, farm, and other civic groups. Indeed, there is an impressive body of thoughtful reports which calls for an even larger program. All of this would seem to indicate overwhelming public support; yet there is unmistakable evidence that the program is misunderstood and disliked by large numbers of the American people.

A part of the explanation for this paradox undoubtedly lies in faulty administration of the program. Over the years, criticism has been based increasingly on mistakes in administration rather than on the fundamental policy issues involved. Given the circumstances in which the program has been developed and carried out, it is not surprising that such mistakes have been made. In the beginning, there

was no body of national experience on which to draw, no corps of well-trained personnel ready at hand. Except for a handful of missionaries and businessmen, the American people as a whole were rank amateurs at this business as recently as 12 years ago. This is the kind of gap which cannot be closed in a decade, or perhaps even in a generation.

Further, the task involved here is perhaps the most difficult administrative job of our times. Since the end of the Marshall plan when the emphasis shifted to underdeveloped areas, we have been engaged in what is essentially an effort to build institutions in alien cultures, many of which are set in difficult physical environments. Large sums of money and a sense of urgency have increased the probability of mistakes, and it should not be a cause for wonder that mistakes have in fact been made. So far, however, we have managed to summon the requisite combination of faith and persistence to avoid making the worst mistake of all, which would be to quit trying.

And progress has been made. There is evidence, as cited, of a more mature, sophisticated approach on the part of the administration. We have learned from our mistakes, albeit perhaps not as rapidly as would be desirable.

The committee is increasingly convinced that the key to a mutual security program which will be effective abroad as well as popularly supported at home lies in the caliber and skills of the people who administer it, at home and especially abroad. There has been marked improvement in this area, but more remains to be done. It is particularly important that the agencies concerned give more attention to their long-term personnel needs and especially to the proper training and orientation of personnel—and their wives—destined for foreign service.

In the meantime, nothing is to be gained, and a great deal is to be lost, by abandoning or emasculating the enterprise.

4. Military Assistance (Ch. I)

This chapter places a ceiling of $55 million a year, beginning in fiscal year 1961, on the value of programs of military equipment and materials for Latin America. It replaces a ceiling in the current law, which applied to fiscal year 1960 only, and which set a limit equal to the level of fiscal year 1959 obligations and reservations. Because different things are included in the present and proposed ceilings, the two are not comparable. The ceiling proposed by the committee, however, will result in a reduction of $2 million from the amount of equipment and materials proposed for Latin America in the administration's illustrative program.

The committee would have been disposed to make an even larger reduction except for the fact that $45 million of the total is accounted for by programs in two countries to carry out prior commitments. The committee continues to be concerned over armaments in Latin America and hopes that progress can be made in the coming year toward a regional arms limitation agreement, as proposed by the Presidents of Chile and Peru.

The $55 million ceiling in the bill includes equipment and materials, whether new or excess and whether furnished on a grant or credit basis with military assistance funds. It does not include military

training or sales financed with service appropriations. The committee felt that such sales should be treated separately from grants or credits and that some flexibility should be left with the administration. It hopes, however, that the administration will use this flexibility with restraint and discretion and that cash sales anywhere in the area will be carefully scrutinized. It particularly approves the policy of no sales in the Caribbean, and it hopes that forceful representations can be made to our European allies to support this policy.

In exempting military training from the ceiling, the committee was motivated by the feeling that such training has useful political as well as military results. Particularly for junior and middle grade officers, a course in one of the U.S. service schools provides a beneficial exposure to American institutions and results in better understanding of American attitudes and policies.

The committee reiterates its view that the military assistance program to Latin America, including training, should be carried out so far as possible with emphasis on the performance of economically useful civil functions by the military. Section 105(b)(5) of the Mutual Security Act provides that "to the extent feasible and consistent with the other purposes of this chapter [i.e., military assistance], administrators of the military assistance program shall encourage the use of foreign military forces in underdeveloped countries in the construction of public works and other activities helpful to economic development." This implies training in engineering and assistance for military engineering units. Something has already been done along this line, and the committee hopes that more progress can be made, not only in Latin America but also in other less developed countries. The kind of work involved is primarily construction of such things as roads, harbors, bridges, and airfields roughly similar to some of the things done by the Army Corps of Engineers in the United States.

5. Defense Support (Sec. 201(a))

The bill authorizes appropriations of not to exceed $700 million for defense support for fiscal 1961, compared to $724 million in the administration request. For fiscal 1960, $751 million was authorized and $695 million appropriated. This appropriation is supporting a 1960 program of $765.7 million, the difference being accounted for by drawing upon other available funds. The program proposed by the committee for 1961, therefore, represents a reduction of $65.7 million from the 1960 program.

Defense support programs are planned for 12 countries in 1961—Spain, Greece, Iran, Pakistan, Turkey, Cambodia, China (Taiwan), Korea, Laos, the Philippines, Thailand, and Vietnam. Each of these countries also receives military assistance. In eight of them, the administration proposed reductions in defense support for 1961; in three of them, increases; and in one, the same level.

All of these countries have received defense support in the past, and the reasons which make a continuation of the program necessary in 1961 are essentially the same reasons that have made the program necessary in the past. Spain is the site of important U.S. air and naval bases. Greece and Turkey are two of the poorest and most strategically located of the NATO countries. Iran is at the center of the Central Treaty Organization, subject to constant harassment

from the Soviet Union, and quite incapable of making, unaided, the economic and military effort deemed necessary to preserve its independence. Pakistan is a member of both CENTO and SEATO. Its relations with India have undergone marked improvement, particularly as regards the Indus Basin dispute, and the time seems ripe to make an extra effort to push the country across the threshold of economic growth. Cambodia is the scene of active competition between American and other free world aid programs on the one hand, and Soviet and Chinese Communist programs on the other. Taiwan lives under the constant threat of Chinese Communist aggression, but has nonetheless made quite remarkable economic progress and the signs are propitious that an extra effort here would pay more than proportional dividends. Korea remains a troubled divided land, living under a tenuous armistice. Laos has a long common border with Communist China and North Vietnam and severe internal security problems which are at all manageable only because of outside assistance. The Philippines is a member of SEATO and the site of important U.S. bases. Thailand is likewise a key member of SEATO and an important stabilizing influence in southeast Asia. Vietnam remains divided and struggling to attain viability.

In each of these countries, there is the common characteristic that the withdrawal of American assistance would have far-reaching adverse economic and political consequences.

In the illustrative program of $724 million submitted by the administration, $61.2 million was proposed for carrying out specific projects, $637.8 million for financing the import of commodities, and $25 million for cash transactions. Half the project assistance was for the fields of transportation and industry and mining. The nonproject assistance was to finance the import of $273.6 million worth of raw materials and fuels, $161 million of machinery and equipment, $141.3 million of agricultural commodities, and $62 million of other goods. These figures will have to be adjusted to reflect congressional action.

As reflected in the hearings (pp. 328–329, 331, and 336–337), the committee was gravely concerned over the situation in Korea prior to the most recent and serious outbreak of rioting. Although, as stated, the committee sees no presently acceptable alternative to continuing the aid program in Korea, the recent events in that country raise a question, which is of wider application, as to the long-term effectiveness of an aid program conducted in the absence of an atmosphere of expanding basic freedoms.

In regard to the aid program itself in Korea, the committee is somewhat disturbed by the fact that it continues to be administered in accordance with procedures which were in effect during the Korean war and which differ from those applying to other defense support programs. This is done under the provisions of section 131(d) of the Mutual Security Act which authorizes defense support to Korea without regard to certain statutory requirements applicable elsewhere. This authority has been used principally to make special arrangements regarding Korean counterpart funds and to use defense support funds to finance ocean freight costs for voluntary agency relief shipments to Korea.

It seems to the committee that the special circumstances justifying these procedures no longer exist and the committee has been gratified to note that the administration has already begun negotiations

toward revising the counterpart arrangements and other procedures in Korea to conform with the normal statutory requirements. It expects that this will have been done by next year, at which time consideration should be given to repealing section 131(d).

6. Conditions of Military Assistance and Defense Support (Sec. 201(b) and (c))

These subsections amend sections 141 and 142(a) of the act so as to exempt military training from the conditions applicable to other types of military assistance and to defense support.

These conditions, which are spelled out in sections 141 and 142, include, among others, that the recipient country agree to—

> make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world—

and to—

> take all reasonable measures which may be needed to develop its defense capacities.

There are some countries which are reluctant to agree to these, as well as to some of the other points required, and which do not want military equipment assistance from the United States but which would like to send some of their military officers to the United States or the Canal Zone for training. Inasmuch as training is the only assistance involved in these cases, it seems to the committee unreasonable to require the same type of agreement as is required for military equipment or for defense support. Indeed, it seems to the committee in our national interest to encourage the training of limited numbers of officers from these countries in the United States.

The amendments to the law proposed here will make the conditions applicable only to defense support, military equipment, and materials, thereby making training possible without the same kind of formal agreement that is now required.

7. Development Loan Fund (Sec. 202)

This section makes a series of amendments regarding the Development Loan Fund, the net effect of which is to give more emphasis to use of the Fund to stimulate free economic institutions and to aid agriculture and housing.

These amendments are a result of a feeling on the part of the committee that the purposes of the Development Loan Fund have been too narrowly construed and that the Fund has limited itself too severely to projects which would directly contribute to the development of economic resources or to the increase of productive capacities. This interpretation tends to ignore one of the biggest needs of underdeveloped countries—namely, the lack of the kinds of economic institutions which have played such an important role in the growth of the United States. Examples are savings and loan associations, stock exchanges, and agricultural cooperatives.

In order to emphasize this point, two of the amendments made by section 202 of the bill insert the phrase "free economic institutions" at appropriate places in the act's description of the DLF's purposes and the criteria for DLF loans. The DLF's purposes, in section 201 of the act, are amended to include assistance for the efforts of free peoples to develop "free economic institutions" as well as to develop "their economic resources." The criteria which the Fund is directed to take into account in its operations (sec. 202(b) of the act) are broadened to include whether the activity gives reasonable promise of contributing to the development of "free economic institutions" as well as to whether it gives reasonable promise of contributing to the development of "economic resources or to the increase of productive capacities."

The Fund's purposes are also amended in two other respects. First, it is made clear that these purposes embrace agricultural as well as industrial development. Although the law as it now stands obviously encompasses agriculture as well as industry, the context, especially when taken in conjunction with the criteria for DLF loans in section 202(b), affords a basis for the argument that the congressional intent is primarily directed toward industry. The amendment is designed to bring about a more balanced approach as between agriculture and industry.

As a matter of fact, capital, both public and private, is much more readily available for industrial than for agricultural projects. This has resulted in a relative neglect of the agricultural sector. The DLF is an appropriate institution to overcome this neglect and give agriculture the attention it deserves.

Maldistribution and misuse of land and the desire for land reform are almost universal characteristics of underdeveloped countries. History provides many unhappy examples, some of them recent and nearby, of the chaotic channels into which this legitimate desire can turn when it is frustrated for too long. There are therefore compelling political, as well as economic and social, reasons for the United States to do what it can to help bring about needed rural reforms while there is yet time to forestall development of such situations. Fortunately, there are many governments throughout the world, including several in Latin America, which are responsive to the demand for land reform and which are taking steps to meet it in a fair and responsible way. These governments need all the help they can get, and it is in our national interest to help them to the extent feasible.

Second, a new statement is added recognizing the importance of—

> the development of free economic institutions and the stimulation of private investment, local as well as foreign, in the field of housing—

in rapidly developing countries. The statement also expresses the sense of Congress that—

> consistent with the other purposes of this title [i.e., the Development Loan Fund], special consideration should be given to loans and guarantees to stimulate activities in this field.

This amendment is related to a new section 207 which the bill adds to the act and which relates to housing projects in Latin American countries. This new section expresses the sense of Congress that the

DLF should assist in the development in Latin America "of self-liquidating pilot housing projects designed to provide experience in countries at various stages of economic development by participating with such countries in (1) providing capital for the establishment of, or for assistance in the establishment of, savings and loan type institutions in such countries; and (2) guaranteeing private U.S. capital available for investment in Latin American countries" for these purposes. The purposes are to stimulate private homeownership, encourage the development of free financial institutions, and assist in the development of a stable economy.

In considering these amendments, the committee noted that they add no new authority to the DLF. The committee also took note of fears that the amendments could lead to vast new programs with no end in sight. In this connection, it should be pointed out that the amendment to the statement of purposes of DLF refers to "rapidly developing" and not to "underdeveloped" countries. The problem which the committee is attempting to reach does not occur in acute form in extremely primitive or underdeveloped countries, which are primarily agricultural in nature. It occurs, rather, in a country which has reached a certain level of development characterized by rapid industrialization and urbanization with attendant overcrowding of cities and shortages of social infrastructure—housing, health facilities, schools, etc.

It should also be pointed out that the new section on housing projects in Latin American countries refers to "self-liquidating pilot housing projects." After experience has been gained in a limited number of pilot projects, the scope and duration of the program can then be determined. Two types of projects are contemplated by this section. One would be a loan of seed capital to help establish savings and loan institutions. Another would be the use of the DLF's guarantee authority to guarantee loans made by private U.S. institutions to Latin American government agencies which in turn would reloan the money for housing mortgages in a program roughly analogous to the Federal Housing Administration's mortgage-insurance activities in the United States. In making loans and guarantees for housing projects, the DLF should take all appropriate steps to see to it that the money is reloaned at reasonable rates of interest and that the sales prices of the housing involved are sufficiently low to be within reach of at least the middle or lower middle class.

It is anticipated that both dollars and foreign currencies could appropriately be used for the purposes envisaged in these amendments. Aside from the DLF's own resources, some foreign currencies are available under title I of Public Law 480.

Finally, section 202 of the bill makes a technical amendment to section 205(a) of the Mutual Security Act of 1954, as amended. That section of the act, which deals with the management, powers, and authorities of the Development Loan Fund, makes the Under Secretary of State for Economic Affairs Chairman of the Fund's Board of Directors.

Last year, however, Congress reorganized the top management of the State Department so as to provide that, instead of an Under Secretary and an Under Secretary for Economic Affairs, there would be an Under Secretary and an additional office to be entitled as desig-

nated by the President, either Under Secretary for Political Affairs or Under Secretary for Economic Affairs. This additional office has been designated as Under Secretary for Political Affairs, so that the office of Under Secretary for Economic Affairs does not now exist. Further Public Law 86–117, approved July 30, 1959, provided that—

> any * * * law vesting authority in the "Under Secretary of State for Economic Affairs," or any other reference with respect thereto, is hereby amended to vest such authority in the Secretary of State.

The amendment made by the bill is thus consequent upon prior action of Congress, and provides that the Secretary of State, rather than the Under Secretary for Economic Affairs, shall be Chairman of the DLF's Board of Directors. This is a change of form rather than substance, because the Secretary has designated the Under Secretary to serve as Chairman of the DLF Board.

One further comment should be made about DLF's lending policies. Although the committee is not recommending any change in the law, the committee suggests that consideration be given by DLF to making greater use of its authority to make loans to meet the local currency costs of projects the dollar costs of which are financed by the Export-Import Bank, the International Bank for Reconstruction and Development, or some other institution. The IBRD will not cover local costs and the Export-Import Bank is reluctant—properly so, in the committee's opinion—to do so. The considerations which motivate the IBRD and the Export-Import Bank in this connection do not apply to the DLF, which has always been conceived as a supplementary source of capital. The covering of local currency costs is a proper exercise of this supplementary role.

8. Technical Cooperation (Sec. 203)

A. BILATERAL PROGRAMS (SEC. 203(A))

This section authorizes appropriation of not to exceed $172 million for bilateral technical cooperation programs in fiscal 1961. For fiscal 1960, $179.5 million was authorized and $150 million appropriated.

The illustrative program for 1961 shows the following breakdown by countries:

[Thousands of dollars]

Europe:	
Spain	1,000
Yugoslavia	3,000
Africa:	
Ethiopia	5,000
Ghana	1,200
Guinea	1,000
Liberia	2,600
Libya	2,500
Morocco	1,000
Nigeria	2,100
Somalia	1,300
Sudan	3,300
Tunisia	2,200
Central and East Africa	855
Other West Africa	1,200
Regional and undistributed	45
Near East and South Asia:	
Afghanistan	4,500
Ceylon	1,700
Greece	650
India	8,900
Iran	5,400
Iraq	1,000
Israel	1,100
Jordan	1,750
Lebanon	800
Nepal	1,700
Pakistan	7,000
Turkey	4,400
United Arab Republic	1,800
Central Treaty Organization	400
Regional and undistributed	3,600
Far East:	
Cambodia	2,700
China (Taiwan)	2,400
Indonesia	7,500
Japan	1,300
Korea	7,500
Laos	1,800
Philippines	3,000
Thailand	4,300
Vietnam	4,800
Regional and undistributed	700
Latin America:	
Argentina	1,130
Bolivia	2,550
Brazil	7,500
British Guiana	430
British Honduras	150
Chile	2,895
Colombia	2,100
Costa Rica	1,290
Cuba	350
Dominican Republic	280
Ecuador	2,300
El Salvador	1,200
Guatemala	2,300
Haiti	2,745
Honduras	1,550
Mexico	720
Nicaragua	800
Panama	1,610
Paraguay	1,800
Peru	2,800
Surinam	415
West Indies and eastern Caribbean	1,335
Regional and undistributed	1,250

In addition, interregional expenses are expected to amount to $23.5 million.

This program will provide for approximately 4,700 U.S. technicians and 9,900 foreign trainees. Greatest emphasis, as in past years, will be placed on projects in agriculture and education, but projects will also be carried out in industry and mining, public administration, health and sanitation, transportation, labor, community development, social welfare, housing, and other fields.

The committee is persuaded that over the long term technical cooperation is one of the most effective foreign programs the United States has undertaken. Since it was put on a worldwide basis in the Act for International Development in 1950, the program has shown a steady, and on the whole sound, growth. The authorization recommended for 1961 will permit a continuation of this growth.

B. UNITED NATIONS (SEC. 203(b)(1))

This section authorizes contributions of $33 million to the United Nations expanded program of technical assistance and the related U.N. special fund in fiscal 1961. For the current year, $30 million was authorized and appropriated. The contribution is made subject to the limitation in existing law that it cannot exceed 40 percent of the total.

The U.N. technical assistance program was instituted in 1950 and has grown from a level of $20 million, of which the United States contributed 60 percent, to a current level of $36 million, of which the United States contributes 40 percent.

The special fund was established in 1958 as a result of U.S. initiative during the 1957 session of the General Assembly. It is designed to complement the technical assistance program by providing basic surveys, research, and training. In calendar 1959, its first full year of operation, the fund received contributions of $25.8 million. Contributions of $38.8 million are anticipated for 1960. The United States contributes 40 percent.

It is hoped that the two programs together will reach a level of $100 million a year in the not-too-distant future. The combined programs in 1960 are estimated at $75 million, and in 1961 at $82.5 million, of which the United States will contribute $33 million and other governments $49.5 million.

U.N. technical assistance and related activities have been an effective complement of U.S. bilateral programs. U.S. participation in the U.N. programs is a demonstration of support for the United Nations. Further, in some cases, a multilateral approach offers the best means of accomplishing specific objectives.

C. ORGANIZATION OF AMERICAN STATES (SEC. 203(b)(2))

This section authorizes contributions of not to exceed $1.5 million to the technical cooperation program of the Organization of American States in fiscal 1961. This is the same amount that has been authorized annually for several years. The current appropriation is $1.2 million plus reappropriation of $300,000 in unobligated fiscal 1959 funds. The U.S. contribution is made subject to administration policy that it will not exceed 70 percent of the total.

Contributions from other governments in the OAS have been slowly increasing, so that it has been possible to increase the U.S. contribution, within the 70 percent ceiling, from $1.1 million in calendar 1955 to $1.3 million in calendar 1959. The committee deems it useful to authorize $1.5 million as an incentive to other countries to contribute more.

The OAS technical assistance program consists entirely of a number of regional training projects in fields related to economic development and social welfare. The largest of these projects (there were a total of 14 in 1959) are in technical education for the improvement of agriculture and rural life, the Pan American Aftosa Center, the Inter-American Rural Normal School for training rural schoolteachers, the Inter-American Training Center for Economic and Financial Statistics, and training in the planning and administration of social welfare programs.

D. STUDY OF POINT 4 YOUTH CORPS (SEC. 203(C))

This subsection adds a new section 307(b) to the act, directing the President to arrange for a nongovernmental research group, university, or foundation to study "the advisability and practicability of a program, to be known as the point 4 youth corps, under which young U.S. citizens would be trained and serve abroad in programs of technical cooperation." The bill authorizes use of not more than $10,000 in technical cooperation funds to help pay for the study.

This section is the result of the committee's consideration of S. 2908 by the late Senator Neuberger which likewise provided for such a study and specified its scope in some detail. The committee felt it advisable to leave the scope of the study completely open in the law. The committee expects, however, that the study would include these points, among others: the types of projects in which members of such a corps might be used and how such projects should be carried out; the manner in which interested private American organizations might cooperate in these projects; the relationship, if any, which should exist between service in the point 4 youth corps and in the Armed Forces; the optimum size of the youth corps and the manner of its administration; its personnel regulations, selection methods, and criteria, and methods of orientation and training; and how it could most usefully supplement existing programs of technical cooperation.

The committee emphasizes that it is only a study which is involved here. The conclusions of the study can be considered on their merits when the study is completed.

9. Special Assistance (Sec. 204(a))

This section authorizes appropriation of not to exceed $260 million for special assistance in fiscal 1961. The administration had requested $268.5 million. The current year authorization is $247.5 million, of which $245 million was appropriated.

Special assistance is proposed for 22 countries and territories (including West Berlin) and for a variety of regional, worldwide, and multilateral programs. These include a special program for Africa, a contribution to the U.N. Emergency Force in the Middle East, aid to American schools abroad, malaria eradication, the community water supply program, and the investment incentive program. Countries and territories for which special assistance is proposed are Berlin, Yugoslavia, Ethiopia, Somalia, Sudan, Libya, Morocco, Tunisia, Afghanistan, Israel, Jordan, Nepal, United Arab Republic, Yemen, Burma, Indonesia, Bolivia, Brazil, Guatemala, Haiti, Paraguay, and the West Indies and eastern Caribbean.

Out of this long list, however, six countries—Morocco, Jordan, Tunisia, Libya, Bolivia, and Afghanistan—account for slightly more than 80 percent of the total which is programed on a country basis.

Special assistance is economic aid designed to accomplish a variety of objectives. It includes such diverse activities as equipping and training an engineer construction unit for road and bridge construction in Paraguay, supplying substantial budgetary support for the Government of Jordan, and contributing to the continued availability of an American airbase in Libya. It may take the form of cash grants, of commodity imports, or of assistance to specific economic projects.

In every case, however, it is directly related to accomplishment of a specific objective of U.S. foreign policy and provides aid which could not normally be furnished under other categories of the mutual security program.

The major new element in special assistance as proposed for 1961 is a special program for Africa which will be used in the newly independent states and territories rapidly approaching independence south of the Sahara. This program can be particularly useful in attacking problems of education and training in which some progress must be made as a prerequisite to significant economic development. The committee welcomes this evidence of growing attention to the needs of Africa and expresses the hope that the program will be administered in such a way as to encourage greater regional integration.

Indeed, if special assistance had not included programs such as this one and such as malaria eradication and other health programs, aid to American schools, and the community water supply program, the committee would have been disposed to make a deeper cut in the authorization. The committee finds some of the individual country programs excessive. It expects that reductions will be made here and not at the expense of sub-Saharan Africa and the nonregional health and related welfare programs.

10. Other Programs

A. UNITED NATIONS EMERGENCY FORCE (SEC. 204(b))

This section extends through fiscal 1961 the authority already contained in section 401 of the act, applicable to fiscal 1960, for the President to use special assistance funds for voluntary contributions to the United Nations Emergency Force in the Middle East.

UNEF played an important role in settling the 1956 Middle East crisis and has subsequently exerted a significant influence for peace in that area. Its 5,000 officers and men, from seven small and middle powers, are still stationed in the Gaza strip and at the entrance to the Gulf of Aqaba.

The Force's budget for calendar year 1960 is $20 million, which is met in part through assessments of U.N. members according to the regular assessment scale for the U.N. budget. Inasmuch as the total U.N. budget, other than UNEF, is only $60 million, this results in a substantial addition to the assessments and has been found particularly burdensome by some of the smaller, poorer members. Because of their very great interest in maintaining peace in the area, the United States and the United Kingdom have made voluntary contributions to UNEF over and above their assessments, and these contributions are used to reduce the assessments of U.N. members least able to pay.

In calendar year 1957, the United States contributed $12.9 million over and above its assessment toward a UNEF budget of $30 million. In 1958, it contributed nothing and in 1959, $3.5 million out of fiscal 1960 funds. It is proposed to contribute $3.2 million in calendar 1960 out of fiscal 1961 funds. This contribution, plus the U.S. assessment of $6.5 million, will mean a U.S. payment of 48.5 percent of UNEF's budget.

B. SURPLUS AGRICULTURAL COMMODITIES (SEC. 204(c))

This section extends to fiscal 1961 the requirement which has been in section 402 of the act for several years that at least $175 million of mutual security funds (other than the Development Loan Fund) be used to finance the export of surplus agricultural commodities. Under existing law, this requirement may be met either through grants or through sale for foreign currencies.

It must be candidly pointed out that this provision may prove ineffective and that the President's special authority may be used to waive the requirement to some extent. Disposals pursuant to the requirement of section 402 have steadily declined from $445 million in fiscal 1955 to $188 million in 1959. It is doubtful that they will greatly exceed $140 million in 1960, and may be even less in 1961.

This situation arises from a number of factors. The total funds available out of which to meet the requirement have declined and the relative importance of nonagricultural commodities has increased. The Agricultural Trade Development and Assistance Act (Public Law 480) has provided an alternative source of agricultural imports for many countries. The growth of currency convertibility has decreased the incentive of West European countries to engage in triangular transactions under which the proceeds from surplus commodity sales in one country are used to finance purchases in that country for the benefit of another country. Finally, the application of the 50–50 shipping clause to sales under section 402 means that the cost of the commodities to the recipient country is increased and where currency is convertible, this also reduces the incentive to buy.

It is currently estimated that mutual security funds to the extent of $104.5 million can be used to meet the section 402 requirement in fiscal 1961. The commodities involved are cotton ($52.7 million), fats and oils ($20.4 million), dairy products ($9.5 million), bread grains ($9 million), eggs and soybean meal ($7.8 million), and coarse grains ($5.1 million).

C. BERLIN (SEC. 204(d))

This section authorizes use of not more than $6,750,000 of special assistance funds in fiscal 1961 "in order to meet the responsibilities or objectives of the United States in Germany, including West Berlin." For the current fiscal year, $7,500,000 of special assistance funds were authorized for this purpose and $6,750,000 actually programmed.

A portion of the funds authorized for use in 1961 will finance the sales of surplus agricultural commodities to the Federal Republic of Germany with the resultant marks contributed toward construction of the Berlin Medical Center. This is a joint project of the United States, the Federal Republic, and the city of West Berlin.

Continued evidence of American interest in West Berlin is especially important at this time in view of Soviet threats against the city.

D. INDUS BASIN DEVELOPMENT (SEC. 204(e))

This section adds a new section 404 to the act, the main purpose fo which is to authorize use of mutual security funds for development of the Indus basin under the supervision of the International Bank for Reconstruction and Development without regard to the requirements of the Mutual Security Act and the Mutual Security Appropriation

Act regarding cost estimates and feasibility studies. In effect, the section would substitute the IBRD's requirements concerning completion of plans and cost estimates and determination of feasibility for those of U.S. laws. The section would also enable the President to waive the 50-50 shipping provision. An introductory statement "welcomes the progress made" toward a cooperative program for development of the Indus basin and "affirms the willingness of the United States * * * to participate in this significant undertaking."

As a result of patient negotiations carried on since 1952 under the auspices of the IBRD, the Indus waters dispute, which has long embittered relations between India and Pakistan and has at times brought the two countries to the verge of open warfare, appears well on the way to settlement. The dispute arose because partition of the subcontinent in 1947 left the upstream portions of the Indus system, embracing six rivers, in Indian hands and the downstream portions in Pakistani hands. The rivers involved have historically been used extensively for irrigation and are vital to the agricultural life of both countries.

An ambitious plan advanced by the IBRD has now been agreed to in principle by India and Pakistan and awaits only conclusion of a water treaty between the two countries for the beginning of the long and expensive task of implementation. Under the IBRD plan, the waters of the three eastern rivers in the system will go to India and the areas in Pakistan formerly irrigated from these rivers will get water brought by canals from the three western rivers. The plan also provides for hydroelectric installations, storage areas, and drainage improvements.

The plan is estimated to cost slightly more than a billion dollars, take 10 years to complete, and result in the largest irrigation system in the world. It will make a substantial contribution to the economic development of both India and Pakistan. Equally important, it will remove one of the sorest points in relations between those countries and contribute significantly to political stability in South Asia.

The IBRD plan contemplates joint financing by the two countries directly involved and the IBRD itself plus the United States, United Kingdom, Germany, Canada, Australia, and New Zealand. It is proposed that the U.S. contribution take the form of both dollars and rupees in both loans and grants. For the first year, assuming that the Indo-Pakistani treaty is concluded in 1960 and construction begins in fiscal 1961, approximately $13.6 million in foreign exchange and rupees equivalent to $22 million will be required. In all, over the 10-year period, the United States will provide $177 million in grants, $103 million in loans, and rupee loans and grants equivalent to $235 million.

It is proposed that the whole enterprise be carried out by an Indus basin development fund under the auspices of the IBRD. Under the circumstances of this large multilateral undertaking, it seems entirely appropriate for the U.S. funds involved to be spent according to IBRD, rather than American, standards. The IBRD has established an excellent record for making sound loans and insisting on high performance, and there need be no fear that money under its care will be loosely or wastefully used.

Under the multilateral agreement for this project the U.S. money contributed to the Indus Fund will not be subject to a 50–50 U.S.

shipping restriction. This is entirely appropriate in view of the multilateral character of the project and the fact that the other contributing nations are also foregoing any preferential strings on their contributions. At the same time the committee expects that the 50–50 shipping provision will be waived only if or to the extent that compensating increases cannot practicably be made over a period of time in other mutual security shipments carried on American vessels to this or other regions. The bill also provides (sec. 401(d) below) that notice must be given to legislative committees when the 50–50 provision is waived.

E. UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES (SEC. 204(f)(1))

This subsection amends section 405 of the act so as to authorize not to exceed $1.1 million for fiscal year 1961 as the U.S. contribution to the United Nations High Commissioner's program for refugees who are objects of international responsibility under the High Commissioner's mandate.

This is the same amount as was authorized and appropriated last year and is $400,000 less than the administration's request of $1.5 million for 1961. The committee looks with disfavor upon proposals to increase presumably temporary programs of this nature.

It is expected that the refugee camps in Europe should be virtually closed by the end of this year and that the High Commissioner's program for 1961 will concentrate on rehabilitation and resettlement of out-of-camp refugees and on providing them with international legal and political protection. The committee noted, however, that a substantial proportion of the proposed U.S. contribution was intended for the benefit of refugees from Algeria in Morocco and Tunisia and of European and Jewish refugees from the Near East, mainly in France and Italy. The administration's illustrative program contemplated $800,000 for Soviet orbit refugees, $600,000 for Algerian refugees, and $100,000 for refugees of European and Jewish origin from the Near East. The Algerian refugees are primarily the responsibility of France. The French Government has been willing to meet this responsibility, but has been deterred from doing so by a dispute as to whether the refugees are French citizens. This question seems irrelevant to a French program of helping the refugees.

Under administrative policy, the U.S. contribution to the U.N. High Commissioner for Refugees will not exceed one-third of the total cash contributions. In addition, the United States is supplying surplus agricultural commodities under the authority of titles II and III of the Agricultural Trade Development and Assistance Act (Public Law 480) at the rate of about $10 million a year.

The authorization recommended by the committee will allow some assistance to all categories of refugees in the administration's program, but the total U.S. contribution will not exceed the current year's level.

F. ESCAPEES (SEC. 204(f)(2))

This subsection amends section 405(d) of the act by authorizing for fiscal year 1961 an appropriation of not to exceed $3.5 million for the continuation of activities benefitting selected escapees from countries of the Soviet orbit. For the current year, $5.2 million was authorized and $4,632,000 appropriated.

Working largely through contracts with voluntary relief agencies, the U.S. escapee program provides such services as counseling on resettlement and job opportunities; vocational and language training; health facilities; and financial help in the costs of resettling. Since this program was established in 1952 as a wholly U.S.-sponsored effort to help escapees from Communist areas, it has actually extended assistance in varying degrees to more than 460,000 persons in Europe, the Near East, and the Far East.

Based on the present rate of escape, it is anticipated that during calendar 1961 about 7,700 new escapees (more than half of them from Yugoslavia) will be registered. This number will be in addition to the 6,800 remaining from previous years who are of priority interest to the United States. A caseload reduction of 9,300 is estimated during 1961, so that only 5,200 will be left at the end of the year.

Of the funds authorized in this bill, it is expected that $2.3 million will be used in Europe and the Near East, $1 million in the Far East, and $200,000 in Washington. In the Far East, top priority is given to the rehabilitation of leadership elements, professional and intellectual people. In view of the mass problem in Hong Kong, emigration out of that area on any significant scale is thought not to be feasible. However, continuing efforts will be made to integrate selected refugees in Hong Kong where added emphasis is being given in the coming year's program to medical facilities and attention to youth.

This unilateral program undertaken by the United States to supplement the other refugee programs is a definite boon to the prestige of this country and an effective counter to Communist propaganda claims that the free world's interest in capative peoples is waning.

G. UNITED NATIONS CHILDREN'S FUND (SEC. 204(g))

This subsection amends section 406 of the act so as to authorize not more than $12 million to be appropriated for the United Nations Children's Fund for fiscal 1961. This is the same amount as that authorized and appropriated in last year's mutual security legislation. However, the U.S. contribution for 1961 represents 46 percent of the worldwide UNICEF program as compared to 48 percent in 1960.

Originally established in 1946 to care for children in war-devastated areas, the emphasis of UNICEF's program since 1950 has been on elevating health, nutritional and social welfare standards in underdeveloped areas—where the populations are commonly disease-ridden and undernourished—through maternal and child care activities. The means provided by UNICEF include medical equipment; insecticides, vaccines and antibiotics; powdered milk; and dairy and food processing equipment.

The Children's Fund is currently participating in 371 programs in 104 countries and territories. Each beneficiary country has to provide for its own program a contribution equivalent to the UNICEF assistance which it is receiving. Some governments actually put up, usually in local supplies, three to four times what they get from the Children's Fund.

Since the inception of the program, it is estimated that more than 55 million children and expectant and nursing mothers have come under the care of UNICEF. The disease control and nutrition projects have contributed materially to raising the productive potential

of the assisted populations. This, in turn, provides the human resource base without which technical assistance and economic development programs cannot be successful.

H. PALESTINE REFUGEES (SEC. 204(h))

This subsection makes several important changes in section 407 of the act, which relates to Palestine refugees in the Near East and to U.S. contributions to the United Nations Relief and Works Agency.

The bill authorizes an appropriation for 1961 of $22 million and repeals the proviso in existing law earmaking 10 percent of the funds for repatriation or resettlement. The funds which have accumulated unspent under this proviso, amounting to $6,250,000 over the last 2 years, will revert to the Treasury, as will an estimated $250,000 in other unobligated funds in the Palestine refugee account.

Last year, there was authorized and appropriated $25 million for contributions to UNRWA, but with the proviso reserving 10 percent for repatriation or resettlement. The administration this year requested an authorization of $18.5 million together with authority to use the funds accumulated under the proviso for relief as well as for resettlement or repatriation. This, plus the carryover of other unobligated funds which the committee disapproved, would have made a total of $25 million available in 1961. The net effect of the committee's action, therefore, is to reduce the administration's request by $3 million.

The bill also attaches an important new condition to the use of U.S. contributions. After January 1, 1961, these cannot be used for programs of relief which heretofore have been administered on the basis of ration cards except for refugees whose need and eligibility for relief have been certified after July 1, 1960. The purpose of this provision is to insure that every refugee who is entitled to a ration card has one and that persons not entitled to them do not have them. The committee has had many disturbing reports of black market operations in ration cards among Palestine refugees as well as of the denial of cards to persons who should have them. It is disinclined to tolerate this situation any longer, and it urges the State Department to press UNRWA to take vigorous corrective action.

Finally, the bill directs that the President include in his recommendations to Congress for fiscal 1962 mutual security programs—

> specific recommendations with respect to a program for the progressive repatriation and resettlement of refugees and for reducing U.S. contributions—

to UNRWA.

These actions taken together—a reduction in funds, a tightening of conditions, and a directive to produce a specific program reflect the committee's growing impatience with the temporizing attitude of all concerned with this tragic and intolerable situation—primarily Israel and the Arab States, but also the State Department and the United Nations. The parties concerned have been on clear notice at least since 1952 that the committee would not continue indefinitely to approve U.S. relief contributions. In that year, the committee stated:

> The United States cannot be expected to continue indefinitely relief programs of this type without an end in sight (S. Rept. 1490, 82d Cong., pp. 45–46).

Similar statements have been made with dreary and virtually annual repetition in the committee's subsequent reports. The committee has likewise repeatedly expressed its willingness to give the most sympathetic consideration to proposals for capital assistance to carry out resettlement or repatriation projects. It even, for 2 years, earmarked funds for this purpose, all to no avail.

Since 1949, the United States has contributed a total of approximately $200 million to UNRWA. The only other substantial contributor has been the United Kingdom. If these same funds could have been spent on productive investments in the area, the refugees would long since have all been self-supporting, and a source of great political friction would have been removed. Instead, the funds have been doled out for relief, and the problem is worse than it was.

All of this is primarily and directly attributable to the intransigence of Israel and the Arab States. The committee is tired of hearing arguments that one side is more to blame than the other. It is tired of the United States assuming a major share of the responsibility for ameliorating the consequences of the irresponsibility of others. What is needed is less false political pride and more genuine political statesmanship, less sterile quarreling over the past and more constructive attitudes for the future.

I. OCEAN FREIGHT (SEC. 204(i))

Amending section 409(c) of the act, this subsection authorizes for fiscal 1961 an appropriation not to exceed $2 million to defray the cost of ocean freight for relief supplies sent to needy persons abroad under the auspices of approved U.S. voluntary nonprofit agencies.

The bill also amends the substantive provisions of section 409 so as to authorize payment of overland freight charges to designated points of entry in landlocked nations—as for example, Bolivia and Laos. This remedies an oversight in the existing law. It seems unwarranted to discriminate in payment of international freight charges on relief goods as between nations which have seaports and those which do not. A corresponding amendment is made by section 601(c) of the bill (see below) to section 203 of Public Law 480.

The goods donated by the American people are primarily food, clothing, medical and hospital supplies, school supplies, handtools for trade and agriculture and other self-help items. As few cash contributions are received, these gifts could not be delivered overseas without the cooperation of the Government in financing the freight charges.

The goods are accorded duty-free entry into the country of destination, and the host government will continue to bear any further costs for transportation within the country to the ultimate point of distribution. American field representatives of the various voluntary agencies supervise the local distribution of the goods and insure that the local people know the origin of the gifts.

Supplies to be moved in fiscal 1961 are estimated at a total value of $47 million and will cost the Government an anticipated $2 million

in ocean freight. Nearly 30 voluntary organizations will be participating in the program. These groups also channel through their overseas distribution centers surplus agricultural commodities for which ocean freight charges are funded under authority of title II of Public Law 480.

As tangible expressions of the charitable spirit of the American public, these people-to-people gifts continue to show needy persons in other lands that individual Americans, through private and voluntary means, want to help them.

J. ADMINISTRATIVE EXPENSES (SEC. 204(J))

Paragraph 1 of this subsection amends section 411(b) of the act so as to authorize appropriation of not to exceed $40 million to cover costs of administering nonmilitary assistance (except the Development Loan Fund) and certain functions under the Agricultural Trade Development and Assistance Act (Public Law 480).

Paragraph 2 makes a technical amendment in section 411(c) of the act so as to authorize appropriations "for expenses of" the State Department under the Mutual Security and Battle Acts, instead of appropriations directly to the Department. This change conforms to appropriation language under which all mutual security appropriations are made to the President. In existing law, the appropriation authorized by section 411(c) is a continuing one of "such amounts as may be necessary."

The funds authorized in section 411(b) are to be used by the International Cooperation Administration in Washington and 65 overseas locations in administering the economic, technical, and other assistance programs for which that agency is responsible. The proposed authorization is an increase of $500,000 over the amount authorized and $2 million over the amount appropriated last year. The increase is accounted for primarily by the opening of new overseas posts, especially in Africa, periodic pay increases, and the costs of the Federal employees health insurance program. These new costs will be partially offset by a reduction in the costs of missions in Europe.

The committee also expects that in the coming year ICA will strive for continued improvement in the caliber of its employees. More intensive language training and other employee development activities, as well as added flexibility in competing for competent personnel on the U.S. labor market, are among the program goals.

K. ATOMS FOR PEACE (SEC. 204(K))

Section 419(a) of the act is amended by this subsection so as to authorize appropriation of not to exceed $3.4 million for the fiscal 1961 atoms-for-peace program. For the current year, $6.5 million was authorized and $1.5 million appropriated.

Nineteen research reactors, at a cost of $350,000 each, have already been furnished (or are in the process of being furnished) to various countries under this program. During fiscal 1961 only one additional request for a reactor grant is anticipated. Equipment provided under the program will be primarily laboratory, teaching and field supplies to improve training in basic and applied nuclear science. The scholarship program is administered by the National Academy of Sciences under contract to ICA, and for the coming year 100

scholarship grants are contemplated to train foreign nationals in atomic science in the United States.

The breakdown of the program budget for 1961 is as follows: foreign research reactor, $350,000; equipment grants, $1,250,000; symposia and surveys (to help countries plan their programs), $350,000; contributions to the budget of the International Atomic Energy Agency, $750,000; scholarship programs, $700,000. There are also related activities to the extent of about $566,000 in ICA's country technical assistance program which are not included under the atoms-for-peace provision.

By instructing friendly countries, especially those who cannot by themselves afford such programs, in the peaceful uses of atomic energy consistent with their respective resources, the United States is exporting its scientific and engineering know-how for the long-range benefit of recipient countries. This program has added weight in an era when Soviet technological achievements challenge American scientific prestige.

11. Contingency Fund (Ch. III)

Section 301 of the bill authorizes appropriation of not to exceed $175 million for fiscal 1961 under section 451(b) of the act, which provides the President with special authority and a contingency fund. For fiscal 1960, $155 million was authorized and appropriated.

This fund has traditionally been provided in the mutual security program in order to give administrative flexibility in meeting requirements which at the time of congressional action are either entirely unforeseen or foreseen so tentatively as not to justify firm programming. It is thus inherently impossible to predict in advance how much will be needed in the fund.

On the basis of experience, the amount recommended seems to be reasonable. In fiscal 1959, out of a fund of $155 million, all but $183,000 was used. Two-thirds of the way through fiscal 1960, approximately three-quarters of a fund of $155 million had been used.

Among the major uses to which the fund has been put in recent years have been additional assistance to Taiwan to meet the crisis in the Taiwan Straits, additional assistance to several countries in the Middle East to meet the crisis in that area stemming from the Iraqi revolution and the Lebanese disturbances, and relief work in the wake of a variety of natural disasters around the globe. The fund also makes it possible for this Government to act quickly to take advantage of developments where it is in the interest of the United States to help a country seeking to reduce its dependence on Sino-Soviet aid. The continent of Africa is in such a state of political flux that no one can clearly predict the full requirements of the mutual security program there.

None of the contingency fund can be used to supplement the Development Loan Fund. With respect to $100 million of the contingency fund, the President may waive the requirements of the Mutual Security Act and related acts upon a specific finding by the President that such a waiver "is important to the security of the United States," but not more than $30 million may be used in this manner in any one country in any fiscal year.

Because of the inherent unpredictability of demands upon the contingency fund, it seems to the committee prudent to err, if at all, on the side of providing too much rather than of providing too little. If the contingencies do not arise, the fund will not be used. If they do arise, the President should be in a position to meet them.

12. General and Administrative Provisions

A. CULTURAL MONUMENTS OF THE UPPER NILE (SEC. 401(a))

This adds a new subsection 502(e) to the act authorizing, under certain conditions, U.S. participation in an internationally financed program to preserve the great cultural monuments of the upper Nile. These are located in an area which will be flooded by the Aswan Dam, and unless immediate steps are taken to remove or protect them, they will be lost forever within a period of 5 years.

Under the terms of the amendment, U.S. participation in this work must be: (1) as part of an internationally financed program; (2) predicated upon a finding by the President that it would promote the foreign policy of the United States; (3) subject to the approval of Congress; (4) limited to one-third of the total contributions to the program; and (5) limited to U.S.-owned currencies of the country where the work is being carried out which have accrued under the Mutual Security Act or the Agricultural Trade Development and Assistance Act (Public Law 480). This means that the U.S. contribution will be in form of either Sudanese or United Arab Republic currency.

The committee received testimony (hearings, pp. 575–586) indicating considerable international interest in mounting an organized effort to preserve these great monuments. The planning is as yet not sufficiently advanced to pass on its soundness or on the desirability of U.S. Government participation. The amendment is simply a congressional expression of sympathy with the objective. If a firm plan is subsequently developed and the President recommends U.S. participation, the program in question will have to be approved by the Congress.

B. REPEAL OF AUTHORITY REGARDING MACHINE TOOLS (SEC. 401(b))

This section repeals section 504(d) of the act, which authorized use of up to $2.5 million of the contingency fund in 1960 to make available machine tools and other industrial equipment to foreign small business concerns in underdeveloped countries.

The section was rendered ineffective by a provision in the fiscal 1960 appropriation act, but it would expire in any event at the end of the current fiscal year. Further, general authority exists for this kind of program in other sections of the act, notably those dealing with defense support and special assistance. This authority should be used to encourage and facilitate the growth of small business abroad.

C. USE OF BARTER PROCEEDS (SEC. 401(c))

This section amends section 505(a) of the act, which relates to loan assistance and sales, so as to clear up an ambiguity concerning the use of commodities, equipment, and materials received as repayment

for assistance. The amendment provides that such materials may be reused for assistance authorized by the act, other than for the Development Loan Fund, in accordance with the applicable provisions of the act.

The law now authorizes assistance on a grant, sale, loan, or barter basis. Foreign currencies received in cash payments for assistance may be used for the same purposes for which the dollars providing the assistance which generated the currencies were appropriated. Foreign currencies received in repayment for assistance furnished on a loan basis are used for the exchange of persons program and are sold by the Treasury to Government agencies for payment of their expenses abroad, with any currencies excess to U.S. Government needs being credited to the Development Loan Fund in amounts as may be specified in appropriation acts.

The ambiguity arises in connection with commodities, equipment, or materials received by the United States in return for assistance furnished on a barter basis. As the existing law has been interpreted by the agencies administering it, these materials cannot be further used. The amendment will make possible an arrangement whereby, for example, the United States may furnish one type of military equipment to a European country in return for a second type of military equipment and this second type could then be furnished a second country. As the law is now interpreted, this transaction can be accomplished only if the United States sells its military equipment for a foreign currency and uses the currency to buy the second type of equipment.

The proposed amendment will simplify these procedures considerably. The committee understands it is intended for use mainly in Europe.

D. NOTICE TO LEGISLATIVE COMMITTEES (SEC. 401(d))

This subsection inserts new wording in section 513 of the act so as to require that notification be given to the Foreign Relations Committee and the Speaker of the House when any determination is made under authority of the new section 404 (Indus basin development) to waive the 50–50 shipping requirement in section 901(b) of the Merchant Marine Act of 1936, as amended.

This is the requirement that at least 50 percent of the gross tonnage of ocean shipments moving under the aegis of the United States be carried on U.S.-flag commercial vessels.

By stating that this provision may be disregarded when the President determines that the 50–50 shipping requirement cannot be met, the new section 404 leaves more latitude for executive action. Therefore it is thought to be additionally necessary for the executive branch to inform the Congress when a departure from the shipping procedures contained in the Merchant Marine Act is made under authority of the new section on the Indus basin development.

E. PAY OF EMPLOYEES IN LOCAL CURRENCY (SEC. 401(e))

This section adds a new section 523(d) to the act authorizing ambassadors to regulate the extent to which officers and employees of Government agencies and contractors abroad may receive their pay

and allowances abroad in dollars or in local currency. The regulations may be issued by the Chief of the U.S. diplomatic mission in a country whenever he determines that "the achievement of United States foreign policy objectives there requires it."

The amendment affects only pay and allowances received and to be used abroad. It does not affect any portion of an individual's pay which the individual may choose to have deposited to his credit or paid to a dependent in the United States. It does not, therefore, affect the right of an employee to receive dollars; it affects only his privilege of receiving them abroad and then only in limited circumstances.

This amendment was occasioned by the scandalous black market currency activities of large numbers of American officers (including colonels) and servicemen in Turkey. Before these activities were broken up by the Turkish authorities (not, significantly, by the U.S. authorities), thousands of dollars had been made illicitly on the currency black market. The repercussions have been adverse to the attainment of U.S. policy objectives in Turkey and have blackened the reputation of the U.S. Armed Forces everywhere.

The committee is aware of the almost irresistible temptation to engage in black-market currency operations whenever there is a substantial difference between the official or legal rate and the free or black-market rate, as existed in Turkey in 1957–59. The committee would have thought, however, that the Armed Forces would have had enough experience in these situations to have been able to deal with them more effectively.

The committee is greatly disappointed by the performance of the Department of Defense in the Turkish case, and not least by the fact that of the 71 uniformed personnel who were questioned by military investigators, 21 pleaded the military equivalent of the fifth amendment and 37 admitted having acquired lira illegally. These 71 were all stationed in Izmir, and there were indications that the situation might have been equally bad throughout Turkey. American military authorities failed to take proper steps to prevent the black-market currency ring from developing in Turkey. They then failed to take sufficiently vigorous action against many of the participants in the ring. Finally and worst of all, they tried to hush up the whole affair and were uncooperative with the committee's efforts to get to the bottom of the matter.

When the Turkish authorities finally broke up the ring and put some American servicemen in jail, there were press reports, apparently inspired in part by unauthorized American military sources, that the servicemen in question were being subjected to medieval tortures and otherwise having their rights trampled upon. The committee's impression is that these reports were exaggerated. The press reports also left the impression that American authorities were doing nothing to protect the rights of the servicemen who were arrested. This impression was erroneous so far as the committee has been able to ascertain. It adds fuel, however, to the complaints of many people in the United States—some well-meaning but poorly informed—that the NATO Status of Forces Treaty is an iniquitous instrument to take away the rights of American servicemen abroad.

What bothers the committee most about this whole affair is the widespread attitude it discloses that Americans generally, and American

military personnel in particular, are, or should be, above the law when they are away from home. The committee has commented heretofore on the importance of careful selection and indoctrination of military personnel selected for overseas service. These comments have apparently fallen on sterile ground in the Pentagon. But the committee is deadly serious; it is not disposed to regard blackmarketing as a game in which one gets rich if he wins and gets transferred if he is caught.

Inasmuch as the military appears incapable of maintaining proper discipline among its personnel, the amendment contained in the new section 523(d) will authorize the American Ambassador to take steps to reduce the supply of dollars available and thereby reduce the possibility, if not the temptation, of exchanging dollars on the black market. It is not expected that there will be frequent occasions for the use of this authority. General free world economic recovery is gradually reducing the number of countries in which a currency black market exists. Moreover, the exercise of this authority, although vested in the Ambassador, would not be carried out by him on his own responsibility but on instructions from the Department of State after appropriate interagency consultation within the Government. The committee is strongly of the opinion, however, that authority such as is here proposed is necessary if a handful of really ugly Americans is not to jeopardize the painstaking accomplishments of thousands of others.

F. EMPLOYMENT OF PERSONNEL (SEC. 401(f))

Paragraph 1 of this subsection amends section 527(b) of the act so as to increase by six the number of persons who may be compensated at rates from $12,700 to $17,500 a year and without regard to the provisions of the Classification Act. This will have the effect of creating six additional supergrade positions within the various administrative agencies connected with the Mutual Security Program. The persons filling these positions will all be employed in the United States. Under existing law, there is authority to compensate 70 persons without regard to the Classification Act, and of these 45 may be compensated at supergrade rates. The bill increases these figures to 76 and 51, respectively.

This increase reflects the need for more competent top-level personnel to coordinate and administer the increasingly complex aid program. Such top-flight people can be recruited and retained only through the prospect of higher salaries. Qualified Foreign Service officers will be used when available, but the new authority is considered essential in order to draw in and keep outside people.

Last year Congress approved an increase of 10 supergrade positions. At that time certain needs were not foreseen and the 10 additional positions had to be apportioned so as to cover more offices than originally intended, specifically assignments to the new office of the Inspector General and Comptroller. Thus, the needs of ICA and Defense were unmet. In addition, needs in the Development Loan Fund are included in this year's request. The various agencies connected with the aid program submitted a combined estimate of 16 necessary new positions, and the administration requested 8. The committee recommends 6. The Under Secretary of State will decide which of the 16 recommended positions are of highest priority.

Paragraph 2 of this subsection amends section 527(c) of the act, dealing with personnel employed outside the United States, in two respects: First, authority to employ or assign personnel outside the United States is vested in the President instead of in the Director of ICA, as formerly. This change will make this section conform with the rest of the act, which vests authority in the President. Second, Foreign Service Reserve officers are made eligible for in-class promotion in accordance with regulations prescribed by the President. By this change, reserve officers may be promoted on a more equitable basis depending upon the date of their entrance into, or reassignment in, the Reserve Corps, instead of upon the fixed date stipulated in the Foreign Service Act. Under the Foreign Service Act, promotion would occur on July 1 for an officer who had been in a given class for at least 9 months. This meant that an officer lacking 1 day or more of the requisite 9 months would have to wait until the following July 1 for promotion. Under authority of the new proviso, Reserve officers employed abroad under the Mutual Security Act may be promoted on the anniversary dates of their appointment or assignment, or of their most recent in-class promotion.

Paragraph 3 makes a technical amendment in section 527(d) which now authorizes the Secretary of State, at the request of the Director, to appoint alien employees abroad. The phrase "at the request of the Director" is deleted so that the Secretary's authority is not contingent on the request of a subordinate.

G. REPORTS (SEC. 401(g))

This subsection amends section 534(a) of the act so as to require a report on operations of the Mutual Security Program to be made to Congress covering each fiscal year instead of every 6 months.

These reports cover in detail all activities carried on under the act with the exception of certain security information which the President deems should be withheld in the national interest. Annual, instead of semiannual, reports will serve the same purpose and reduce the burden on both Congress and the executive branch.

H. CONTRACTS FOR PERSONAL SERVICES ABROAD (SEC. 401(h))

This subsection amends 537(a)(3) of the act so as to clarify the basis upon which the International Cooperation Administration contracts with individuals to furnish certain services abroad subject to administrative and policy supervision and guidance by the ICA mission.

The Civil Service Commission has viewed the relationship established by such ICA contracts as one of employer to employee. The bill makes it clear that these individuals shall not be regarded as employees of the United States for the purpose of any law administered by the Civil Service Commission; i.e., they will not enjoy the status of civil service employees with the accompanying benefits and rights provided under the statutes governing such employees.

The new wording also makes this section applicable to individuals whether Americans or foreign nationals, instead of just to aliens as in the present legislation. The contractual services involved range from professional technical advice to foreign governments to custodial and housekeeping services for ICA missions.

1. CONSTRUCTION OR ACQUISITION OF FACILITIES ABROAD (SEC. 401(i))

This subsection amends section 537(c) of the act so as to raise from $2.75 million to $4.25 million the ceiling on the amount of funds available in foreign countries excluding Korea for the construction or acquisition of essential living quarters, office space, and other supporting facilities for use by personnel engaged in carrying out activities under the Mutual Security Program.

The increase is largely made necessary by expansion of the aid program in Africa, where rural housing and offices are scarce; by the need to establish or assist schools for the children of oversea mission personnel, also in Africa; and by movement of the capital of Pakistan from Karachi to Rawalpindi. A portion of the funds will also be used for housing and offices in Yemen.

The newly created nations of western Africa south of the Sahara require considerably expanded ICA missions. Since rural housing in Africa is entirely inadequate, and office buildings nonexistent, the new ICA missions must start from scratch to provide living and working quarters for American personnel. The ICA envisions a regional grouping of technicians in tropical Africa so that there can be a cooperative use of these experts by the countries in the area, all of whose needs are similar. The sites have not yet been selected, but three complexes (comprising housing, office, warehouse, and maintenance shop) will be built in upcountry locations to service the entire area at a cost of $575,000.

The dearth of adequate educational facilities for American families is a serious barrier to staffing missions abroad with competent personnel. An ICA survey indicates there is a 25-percent yearly turnover in oversea staff. Deficiency in educational facilities for children of American personnel is the reason most frequently given for resignations. A serious effort is being made to remedy this situation, and it is expected that the proposed program for school construction and equipment in Africa will be an inducement to American oversea personnel to stay on the job. The proposed program for next year includes $400,000 for this purpose.

The transfer of the Pakistani capital from Karachi to Rawalpindi will necessitate new buildings for the U.S. mission in that country. Since Pakistan is not an industrial nation, much of the construction materials and building equipment will have to be imported. Imported materials and equipment are expected to cost about $400,000. Another $600,000 will be funded in local currency to complete the overall cost estimate of $1 million for the building program in Pakistan.

The facilities constructed or financed under this authority will have residual value to the United States or to the host government when the aid program terminates. All such facilities represent a long-term—15 to 20 years at the minimum—useful investment.

13. Technical Amendments (Ch. V)

The series of technical amendments made in this chapter simply strike out, in six sections of the act, references to the "continental" United States or the "continental limits of the" United States so that references to the United States will reflect the fact that it now embraces States beyond its continental limits.

14. Amendments to Other Laws

A. USE OF PUBLIC LAW 480 FOREIGN CURRENCY (SEC. 601(a))

This section makes a technical amendment in section 104 of Public Law 480, which relates to use of foreign currencies, so as to remove a restriction resulting from the interaction of two amendments added to the law last year in regard to use of foreign currencies for health and education.

Subsections (k), (p), and (r) of section 104 of Public Law 480 authorize the use for purposes of health and education, among others, of foreign currencies accruing from the sale of surplus agricultural commodities under title I of that law. A proviso to subsection (k) makes foreign currencies available for the purposes of that subsection only in such amounts as may be specified in appropriation acts. A similar proviso is applicable to subsection (p), and currencies under subsection (r) are limited to the equivalent of $2.5 million a year.

The uses contemplated by these subsections embrace both uses for the benefit of the United States (e.g., collection and translation of scientific and technological information) and uses for the benefit of the foreign country (e.g., support of educational development). This latter category of uses is also embraced under subsections (e) and (g) which make foreign currency available, without appropriation requirement, for purposes of economic development. However, a final proviso to section 104 forbids allocation of foreign currencies "under any provision of this Act after June 30, 1960, for the purposes specified in subsections (k), (p), and (r)" except as specified in appropriation acts. The effect of this last proviso is to make it impossible to use foreign currencies for purposes of economic development through health and education under subsections (e) and (g) except as the currencies may be appropriated. Since none of the other uses under subsections (e) and (g) are thus restricted, the proviso curtails rather drastically the work that can be carried on in these two fields which are basic to economic development.

The amendment made by the bill would repeal the pertinent part of the proviso in question so that foreign currencies could be used for health and education programs related to economic development without appropriation, but could not be used for such programs which primarily benefit the United States or are unrelated to economic development. This is consistent with the Budget Bureau report to the Senate Committee on Appropriations on "Control Over the Use of Foreign Currencies," which distinguishes between "U.S. use" and "country use" currency with respect to application of appropriation controls.

B. GRANTS OF COMMODITIES FOR ECONOMIC DEVELOPMENT (SEC. 601(b))

Title II of Public Law 480, the Agricultural Trade Development and Assistance Act, deals with famine relief and other assistance. In its present form it authorizes grant assistance to friendly peoples to meet famine or other "urgent or extraordinary relief requirements." The amendment to this title made by section 601(b) of the bill would add the purpose of promoting economic development in underdeveloped areas as one of the aims for which grant assistance could be furnished.

The amendment would make it possible to furnish surplus agricultural commodities, on a grant basis, for purposes of economic development in underdeveloped countries where famine or other emergency situations do not exist. It is contemplated that this authority would be mainly used in Africa and South Asia. The new authority would make it possible for example, for commodities to be furnished on a grant basis to a country which has a bad unemployment problem and which could use the commodities to pay wages, in kind, to people working on road maintenance or construction or on other public works. The same result can be accomplished in many cases, rather more awkwardly, under authority now existing in title I of Public Law 480, under which surplus commodities can be sold for foreign currency which in turn can be lent or granted back to a country for similar uses. Under the procedure which the amendment will authorize, the United States can avoid the problems attendant upon large accumulations of foreign currencies. It will also have the effect of enabling Public Law 480 to be used, to some extent, to supplement funds for defense support and special assistance, but it cannot, of course, be used as a substitute for dollar programs.

It should be borne in mind in this connection, however, that this new authority will be subject to the overall limitation of $300 million a year on the value of commodities which can be furnished under title II of Public Law 480. Furthermore, the overall authority of this title expires December 31, 1961.

C. FREIGHT CHARGES TO LANDLOCKED COUNTRIES (SEC. 601(C))

This subsection amends section 203 of Public Law 480 to authorize payment of overland freight charges on relief shipments to landlocked countries.

This amendment corresponds to that made in section 409 of the Mutual Security Act by section 204(i) of this bill (see above).

D. REPEAL OF INTERNATIONAL HEALTH FUNDS (SEC. 602)

This section repeals section 501(b) of the Mutual Security Act of 1959, which makes available $2 million from the contingency fund for international health work.

A prohibition against use of these funds for this purpose is contained in the appropriation act. The repeal leaves undisturbed the statement of policy in section 501(a) of the act of 1959 that the United States should—

> accelerate its efforts to encourage and support international cooperation in programs directed toward the conquest of diseases and other health deficiencies.

Under other authority in the act—specifically that for defense support, technical cooperation, and special assistance, as well as the Development Loan Fund—there is ample provision to carry on work of this kind.

E. FOOD AND AGRICULTURE ORGANIZATION (SEC. 603)

This section repeals the absolute limitation of $3 million on U.S. annual contributions to the United Nations Food and Agriculture Organization, but leaves intact the relative limitation of 33.33 percent.

Under the present law, which contains both an absolute and a relative ceiling, the United States cannot meet its obligations to FAO if that organization's budget rises above $9 million a year. There is every prospect that such a rise will take place at the next FAO meeting in the autumn of 1961. If the United States is to participate actively and effectively in the budgetary planning which will go on prior to that meeting, it seems wise to act now to remove the dollar ceiling on the U.S. contribution.

The FAO's budget, like that of most other specialized organizations of the United Nations, has grown gradually over the years. In part this has been a reflection of a larger program and an expanded workload. In part it has been a reflection of higher costs generally.

In any event, it seems to the committee unwise to hobble U.S. participation in FAO—and to attempt to hobble the organization itself—by a ceiling on U.S. budgetary contributions expressed in both absolute and percentage terms. The limitation of 33.33 percent is quite sufficient to protect the U.S. interest and to insure that future growth in FAO's budget is thoroughly considered and shared by all members.

F. SOUTH PACIFIC COMMISSION (SEC. 604)

This section increases from $75,000 to $100,000 a year the limitation on U.S. contributions to the South Pacific Commission.

The members of this Commission, besides the United States, are Australia, France, the Netherlands, New Zealand, and the United Kingdom. The purpose of the Commission is—

> to encourage and strengthen international cooperation in promoting the economic and social welfare and advancement of the non-self-governing territories in the South Pacific.

The Commission has its headquarters at Noumea, New Caledonia, and carries on work in the fields of health, education, fisheries, and agriculture in the 17 dependent territories of the South Pacific, including American Samoa, Guam, and the Trust Territory of the Pacific Islands. Its budget presently amounts to $560,000 a year, of which the United States now contributes 12.5 percent.

The increase in the limitation on U.S. contributions would enable an enlargement of the Commission's work. In view of the very modest scope of the Commission's activities to date, the committee believes that such an enlargement can be justified.

G. ASSISTANCE FOR FOREIGN STUDENTS (SEC. 605)

This section amends the U.S. Information and Educational Exchange (Smith-Mundt) Act so as to authorize limited grants to colleges and universities to help them with programs of counseling and orientation for foreign students. The schools concerned will have to match the Federal grants with their own funds. No school

can receive more than $100 per foreign student, and the total for the country can not exceed $1 million per year.

This amendment is designed to meet a situation which was brought to the committee's attention by officials of the University of Pennsylvania after consultation with other universities with enrollments of more than 300 foreign students. With the exception of one or two extraordinarily well endowed institutions, all of these universities are having great difficulty in providing adequate counseling, orientation, and other extracurricular services for those of their foreign students who are not under Government sponsorship. These comprise the bulk of the foreign students. Of the 50,000 foreign students in the United States, at least 40 percent are here entirely on their own resources. Five percent are on U.S. Government grants, an equal number on foreign government grants, and the balance on a combination of private or government grants combined with their own resources.

Adequate services of the type envisaged in this amendment are already available for government-sponsored students and for those in institutions with relatively small foreign student enrollments. The problem arises in large institutions in metropolitan areas with large numbers of foreign students. Because of the difficulty of adjusting to life in this kind of an environment, many of these students are receiving an unfavorable impression of the United States, though most of them are quite satisfied with their academic training.

Under the provisions of the bill, a university with a problem in this area would prepare a specific program for dealing with it and submit the program to the Department of State which, if it found the program satisfactory, would then be authorized to match the university's funds up to a maximum of $100 per student per year. It is anticipated that few universities would receive more than $25,000 or $30,000 a year in this fashion, but it is thought that these relatively small sums might well mean the difference between doing a good job and a poor job for the foreign student. It should also be emphasized that no part of these funds is to be paid to the student; they are all to be paid to the university for programs to help the student.

15. Study of Foreign Economic Activities (Sec. 606)

This section requires that the President—

> have a study made of the functions of, and the degree of coordination among, agencies engaged in foreign economic activities, including the Department of State, the International Cooperation Administration, the Development Loan Fund, the Export-Import Bank, and the Department of Agriculture, with a view to simplifying and rationalizing the formulation and implementation of United States foreign economic policies.

The findings and recommendations resulting from this study are to be included in the President's presentation to Congress of the fiscal 1962 mutual security program.

Although interdepartmental coordination of foreign economic activities has improved somewhat in recent years, the agencies involved and the activities themselves are so disparate as to pose a continuing

problem. It is well for a fresh study of this problem to be made at intervals.

Moreover, the fiscal 1962 mutual security program will be presented to Congress by a new President. It will probably be helpful for him, whoever he may be, to have available the results of a study such as is proposed here.

Among the aspects of the problem of greatest concern to the committee are how to insure that the process of coordination does not become so painstaking as to lead to paralysis, and how to insure that it results in a policy which adequately reflects the overall national interest rather than a collection of parochial interests.

Changes in Existing Law

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

MUTUAL SECURITY ACT OF 1954, AS AMENDED

* * * * * * *

Sec. 103. Authorizations.—(a) There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1960 to carry out the purposes of this chapter not to exceed $1,400,000,000, which shall remain available until expended. Programs of military assistance subsequent to the fiscal year 1960 program shall be budgeted so as to come into competition for financial support with other activities and programs of the Department of Defense. There is hereby authorized to be appropriated to the President for the fiscal years 1961 and 1962 such sums as may be necessary from time to time to carry out the purposes of this chapter, which sums shall remain available until expended.

(b) Funds made available pursuant to subsection (a) of this section shall be available for the administrative and operating expenses of carrying out the purpose of this chapter including expenses incident to United States participation in international security organizations.

(c) When appropriations made pursuant to subsection (a) of this section are used to furnish military assistance on terms of repayment within ten years or earlier such assistance may be furnished, notwithstanding sections 105, 141, and 142, to nations eligible to purchase military equipment, materials, and services under section 106. When appropriations made pursuant to this section are used to furnish military assistance on terms of repayment within three years or earlier, dollar repayments, including dollar proceeds derived from the sale of foreign currency received hereunder to any United States Government agency or program, may be credited to the current applicable appropriation and shall be available until expended for the purposes of military assistance on terms of repayment, and, notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law relating to the use of foreign currencies or other receipts accruing to the United States, repayments in foreign currency may be used for the purposes of this chapter: *Provided*, That the

authority in this sentence shall apply to repayments from not to exceed $175,000,000 of the appropriations used for such assistance.

(d) The value of programs of equipment and materials for American Republics, pursuant to any authority contained in this chapter other than section 106, in any fiscal year beginning with the fiscal year 1961, shall not exceed $55,000,000. For the purposes of this subsection, the value of nonexcess equipment and materials shall be as defined in section 545(h) of this Act, and the value of excess equipment and materials (as excess is defined in section 545(h) of this Act) shall mean the acquisition cost to the Armed Forces of the United States of such equipment and materials.

* * * * * * *

SEC. 105. CONDITIONS APPLICABLE TO MILITARY ASSISTANCE.—(a) Military assistance may be furnished under this chapter to any nation whose increased ability to defend itself the President shall have determined to be important to the security of the United States and which is otherwise eligible to receive such assistance. Equipment and materials furnished under this chapter shall be made available solely to maintain the internal security and legitimate self-defense of the recipient nation, or to permit it to participate in the defense of its area or in collective security arrangements and measures consistent with the Charter of the United Nations. The President shall be satisfied that such equipment and materials will not be used to undertake any act of aggression against any nation.

(b) In addition to the authority and limitations contained in the preceding subsection, the following provisions shall apply to particular areas:

(1) The Congress welcomes the recent progress in European cooperation and reaffirms its belief in the necessity of further efforts toward political federation, military integration, and economic unification as a means of building strength, establishing security, and preserving peace in the North Atlantic area. In order to provide further encouragement to such efforts, the Congress believes it essential that this Act should be so administered as to support concrete measures to promote greater political federation, military integration, and economic unification in Europe, including coordinated production and procurement programs participated in by the members of the North Atlantic Treaty Organization to the greatest extent possible with respect to military equipment and materials to be utilized for the defense of the North Atlantic area.

(2) Military assistance furnished to any nation in the Near East and Africa to permit it to participate in the defense of its area shall be furnished only in accordance with plans and arrangements which shall have been found by the President to require the recipient nation to take an important part therein.

(3) In furnishing military assistance in Asia, the President shall give the fullest assistance, as far as possible directly, to the free peoples in that area, including the Associated States of Cambodia, Laos, and Vietnam, in their creation of a joint organization, consistent with the Charter of the United Nations, to establish a program of self-help and mutual cooperation designed to develop their economic and social well-being, to safeguard

basic rights and liberties, and to protect their security and independence.

(4) Military equipment and materials may be furnished to the other American Republics only in furtherance of missions directly relating to the common defense of the Western Hemisphere which are found by the President to be important to the security of the United States. The President annually shall review such findings and shall determine whether military assistance is necessary. Internal security requirements shall not, unless the President determines otherwise, be the basis for military assistance programs to American Republics. [The aggregate amount of funds which may be obligated or reserved during the fiscal year 1960 for furnishing military assistance to American Republics shall not exceed the aggregate amount of funds obligated or reserved for such purpose during the fiscal year 1959.]

(5) To the extent feasible and consistent with the other purposes of this chapter, administrators of the military assistance program shall encourage the use of foreign military forces in underdeveloped countries in the construction of public works and other activities helpful to economic development.

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SEC. 131. GENERAL AUTHORITY.—(a) The President is hereby authorized to furnish, to nations and organizations eligible to receive military assistance under Chapter I, or to nations which have joined with the United States in a regional collective defense arrangement, commodities, services, and financial and other assistance specifically designed to sustain and increase military effort. In furnishing such assistance, the President may provide for the procurement and transfer from any source of any commodity or service (including processing, storing, transporting, marine insurance, and repairing) or any technical information and assistance.

There is hereby authorized to be appropriated to the President for use beginning in the fiscal year [1960] *1961* to carry out the purposes of this section not to exceed [$751,000,000] *$700,000,000*, which shall remain available until expended.

(c) In providing assistance in the procurement of commodities in the United States, United States dollars shall be made available for marine insurance on such commodities where such insurance is placed on a competitive basis in accordance with normal trade practice prevailing prior to the outbreak of World War II: *Provided*, That in the event a participating country, by statute, decree, rule, or regulation, discriminates against any marine insurance company authorized to do business in any State of the United States, then commodities purchased with funds provided hereunder and destined for such country shall be insured in the United States against marine risk with a company or companies authorized to do a marine insurance business in any State of the United States.

(d) To the extent necessary to accomplish the purposes of this section in Korea (1) assistance may be furnished under this section without regard to the other provisions of this title or chapter I and (2) the authority provided in section 307 may be exercised in furnishing assistance under subsection (a) of this section; and funds available under this section may be used for payment of ocean freight charges

on shipments for relief and rehabilitation in Korea without regard to section 409 of this Act.

* * * * * * *

SEC. 141. CONDITIONS OF ELIGIBILITY FOR ASSISTANCE.—No assistance shall be furnished under this title or chapter I to any nation or organization unless the President shall have found that furnishing such assistance will strengthen the security of the United States and promote world peace. [No such assistance] *No defense support or military equipment and materials* shall be furnished to a nation unless it shall have agreed to the provisions required by section 142, and such additional provisions as the President deems necessary to effectuate the policies and provisions of this title or chapter I and to safeguard the interests of the United States.

SEC. 142. AGREEMENTS. (a) [No assistance] *No defense support or military equipment and materials* shall be furnished to any nation under chapter I or under this title unless such nation shall have agreed to—

(1) join in promoting international understanding and good will, and maintaining world peace;

(2) take such action as may be mutually agreed upon to eliminate causes of international tension;

(3) fulfill the military obligations, if any, which it has assumed under multilateral or bilateral agreement or treaties to which the United States is a party;

(4) make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world;

(5) take all reasonable measures which may be needed to develop its defense capacities;

(6) take appropriate steps to insure the effective utilization of the assistance furnished under this title in furtherance of the policies and purposes of chapter I or of this title;

(7) impose appropriate restrictions against transfer of title to or possession of any equipment and materials, information, or services furnished under chapter I without the consent of the President;

(8) maintain the security of any article, service, or information furnished under chapter I;

(9) furnish equipment and materials, services, or other assistance consistent with the Charter of the United Nations, to the United States or to and among other nations to further the policies and purposes of chapter I;

(10) permit continuous observation and review by United States representatives of programs of assistance authorized under chapter I or under this title, including the utilization of any such assistance and provide the United States with full and complete information with respect to these matters, as the President may require.

(b) In cases where any commodity is to be furnished on a grant basis under this title under arrangements which will result in the accrual of proceeds to the recipient nation from the import or sale

thereof, such assistance shall not be furnished unless the recipient nation shall have agreed to establish a Special Account, and—

(i) deposit in the Special Account, under such terms and conditions as may be agreed upon, currency of the recipient nation in amounts equal to such proceeds;

(ii) make available to the United States such portion of the Special Account as may be determined by the President to be necessary for the requirements of the United States: *Provided*, That such portion shall not be less than 10 per centum in the case of any country to which such minimum requirement has been applicable under any Act repealed by this Act; and

(iii) utilize the remainder of the Special Account for programs agreed to by the United States to carry out the purposes for which new funds authorized by this Act would themselves be available: *Provided*, That if amounts in such remainder exceed the requirements of such programs, the recipient nation may utilize such excess amounts for other purposes agreed to by the United States which are consistent with the foreign policy of the United States: *Provided further*, That such utilization of such excess amounts in all Special Accounts shall not exceed the equivalent of $4,000,000: *Provided further*, That whenever funds from such Special Account are used by a country to make loans, all funds received in repayment of such loans prior to termination of assistance to such country shall be reused only for such purposes as shall have been agreed to between the country and the Government of the United States.

Any unencumbered balances of funds which remain in the Account upon termination of assistance to such nation under this Act shall be disposed of for such purposes as may, subject to approval by the Act or joint resolution of the Congress, be agreed to between such country and the Government of the United States.

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TITLE II—DEVELOPMENT LOAN FUND

SEC. 201. DECLARATION OF PURPOSE.—The Congress of the United States recognizes that the progress of free peoples in their efforts to further their economic development, and thus to strengthen their freedom, is important to the security and general welfare of the United States. The Congress further recognizes the necessity in some cases of assistance to such peoples if they are to succeed in these efforts. The Congress accordingly reaffirms that it is the policy of the United States, and declares it to be the purpose of this title, to strengthen friendly foreign countries by encouraging the development of their economies through a competitive free enterprise system; to minimize or eliminate barriers to the flow of private investment capital and international trade; to facilitate the creation of a climate favorable to the investment of private capital; and to assist, on a basis of self-help and mutual cooperation, the efforts of free peoples to develop their economic resources *and free economic institutions* and to increase their productive capabilities *in agriculture as well as in industry. The Congress recognizes that the accomplishment of the purposes of this title in rapidly developing countries requires the development of free economic institutions and the stimulation of private investment, local as well as*

foreign, in the field of housing. It is the sense of the Congress that, consistent with the other purposes of this title, special consideration should be given to loans and guarantees to stimulate activities in this field.

SEC. 202. GENERAL AUTHORITY.—(a) To carry out the purposes of this title, there is hereby created as an agency of the United States of America, subject to the direction and supervision of the President, a body corporate to be known as the "Development Loan Fund" (hereinafter referred to in this title as the "Fund") which shall have succession in its corporate name. The Fund shall have its principal office in the District of Columbia and shall be deemed for purposes of venue in civil actions, to be a resident thereof. It may establish offices in such other place or places as it may deem necessary or appropriate.

(b) The Fund is hereby authorized to make loans, credits, or guaranties, or to engage in other financing operations or transactions (not to include grants or direct purchases of equity securities), to or with such nations, organizations, persons or other entities, and on such terms and conditions, as it may determine, taking into account (1) whether financing could be obtained in whole or in part from other free world sources on reasonable terms, (2) the economic and technical soundness of the activity to be financed, (3) whether the activity gives reasonable promise of contributing to the development of economic resources *or free economic institutions* or to the increase of productive capacities in furtherance of the purposes of this title, and (4) the possible adverse effects upon the economy of the United States, with special reference to areas of substantial labor surplus, of the activity and the financing operation or transaction involved. Loans shall be made by the Fund only on the basis of firm commitments by the borrowers to make repayment and upon a finding that there are reasonable prospects of such repayment. The Fund in its operations shall recognize that development loan assistance will be most effective in those countries which show a responsiveness to the vital long-term economic, political, and social concerns of their people, demonstrate a clear willingness to take effective self-help measures, and effectively demonstrate that such assistance is consistent with, and makes a contribution to, workable long-term economic development objectives. The Fund shall be administered so as to support and encourage private investment and other private participation furthering the purposes of this title, and it shall be administered so as not to compete with private investment capital, the Export-Import Bank or the International Bank for Reconstruction and Development. The provisions of section 955 of title 18 of the United States Code shall not apply to prevent any person, including any individual, partnership, corporation, or association, from acting for or participating with the Fund in any operation or transaction, or from acquiring any obligation issued in connection with any operation or transaction, engaged in by the Fund. The authority of section 451(a) of this Act may not be used to waive the requirements of this title or of the Mutual Defense Assistance Control Act of 1951 with respect to this title, nor may the authority of section 501 of this Act be used to increase or decrease the funds available under this title. No guaranties of equity investment against normal business-type risks shall be made available under this subsection nor shall the fractional reserve maintained by the Development Loan Fund for any guaranty made pursuant to this section be less in any case than 50 per centum of

the contractual liability of the Development Loan Fund under such guaranty, and the total contractual liability of the Development Loan Fund under all of such guaranties shall not, at any one time, exceed $100,000,000. The President's semi-annual reports to the Congress on operations under this Act, as provided for in section 534 of this Act, shall include detailed information on the implementation of this title.

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SEC. 205. MANAGEMENT, POWERS, AND AUTHORITIES.—(a) The management of the Fund shall be vested in a Board of Directors (hereinafter referred to in this title as the "Board") consisting of the [Under Secretary of State for Economic Affairs] *Secretary of State*, who shall be Chairman, the Director of the International Cooperation Administration, the Chairman of the Board of Directors of the Export-Import Bank, the Managing Director of the Fund, and the United States Executive Director on the International Bank for Reconstruction and Development. The Board shall carry out its functions subject to the foreign policy guidance of the Secretary of State. The Board shall act by a majority vote participated in by a quorum; and three members of the Board shall constitute a quorum. Subject to the foregoing sentence, vacancies in the membership of the Board shall not affect its power to act. The Board shall meet for organization purposes when and where called by the Chairman. The Board may, in addition to taking any other necessary or appropriate actions in connection with the management of the Fund, adopt, amend, and repeal bylaws governing the conduct of its business and the performance of the authorities, powers, and functions of the Fund and its officers and employees. The members of the Board shall receive no compensation for their services on the Board but may be paid actual travel expenses and per diem in lieu of subsistence under the Standardized Government Travel Regulations in connection with travel or absence from their homes or regular places of business for purposes of business of the Fund.

(b) There shall be a Managing Director of the Fund who shall be the chief executive officer of the Fund, who shall be appointed by the President of the United States by and with the advice and consent of the Senate, and whose compensation shall be at a rate of $20,000 a year. There shall also be a Deputy Managing Director of the Fund, whose compensation shall be at a rate not in excess of $19,000 a year, and four other officers of the Fund, whose titles shall be determined by the Board and whose compensation shall be at a rate not in excess of $18,000 per year. Appointment to the offices provided for in the preceding sentence shall be by the Board. The Managing Director, in his capacity as chief executive officer of the Fund, the Deputy Managing Director and the other officers of the Fund shall perform such functions as the Board may designate and shall be subject to the supervision and direction of the Board. During the absence or disability of the Managing Director or in the event of a vacancy in the office of Managing Director, the Deputy Managing Director shall act as Managing Director, or, if the Deputy Managing Director is also absent or disabled or the office of Deputy Managing Director is vacant, such other officer as the Board may designate shall act as

Managing Director. The offices provided for in this subsection shall be in addition to positions otherwise authorized by law.

(c) The Fund, in addition to other powers and authorities vested in or delegated or assigned to the Fund or its officers or the Board, may: enter into, perform, and modify contracts, leases, agreements, or other transactions, on such terms as it may deem appropriate, with any agency or instrumentality of the United States, with any foreign government or foreign government agency, or with any person, partnership, association, corporation, organization, or other entity, public or private, singly or in combination; accept and use gifts or donations of services, funds, or property (real, personal or mixed, tangible or intangible); contract for the services of attorneys; determine the character of and necessity for obligations and expenditures of the Fund, and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to Government corporations; acquire and dispose of, upon such terms and conditions and for such consideration as the Fund shall determine to be reasonable, through purchase, exchange, discount, rediscount, public or private sale, negotiation, assignment, exercise of option or conversion rights, or otherwise, for cash or credit, with or without endorsement or guaranty, any property, real, personal, mixed, tangible or intangible, including, but not limited to, mortgages, bonds, debentures (including convertible debentures), liens, pledges, and other collateral or security, contracts, claims, currencies, notes, drafts, checks, bills of exchange, acceptances including bankers' acceptances, cable transfers and all other evidences of indebtedness or ownership (provided that equity securities may not be directly purchased although such securities may be acquired by other means such as by exercise of conversion rights or through enforcement of liens, pledges or otherwise to satisfy a previously incurred indebtedness), and guarantee payment against any instrument above specified; issue letters of credit and letters of commitment; collect or compromise any obligations assigned to or held by, and any legal or equitable rights accruing to, the Fund, and, as the Fund may determine, refer any such obligations or rights to the Attorney General for suit or collection; adopt, alter and use a corporate seal which shall be judicially noticed; require bonds for the faithful performance of the duties of its officers, attorneys, agents, and employees and pay the premiums thereon; sue and be sued in its corporate name (provided that no attachment, injunction, garnishment, or similar process, mesne or final, shall be issued against the Fund or any officer thereof, including the Board or any member thereof, in his official capacity or against property or funds owned or held by the Fund or any such officer in his official capacity); exercise, in the payment of debts out of bankrupt, insolvent or decedent's estates, the priority of the Government of the United States; purchase one passenger motor vehicle for use in the [continental] United States and replace such vehicle from time to time as necessary; use the United States mails in the same manner and under the same conditions as the executive departments of the Federal Government; and otherwise take any and all actions determined by the Fund to be necessary or desirable in making, carrying out, servicing, compromising, liquidating, or otherwise dealing with or realizing on any transaction or operation, or in carrying out any function. Nothing herein shall be construed to exempt the

Fund or its operations from the application of section 507(b) and 2679 of title 28, United States Code or of section 367 of the Revised Statutes (5 U.S.C. 316), or to authorize the Fund to borrow any funds from any source without the express legislative permission of the Congress.

(d) The Fund shall contribute, from the respective appropriation or fund used for payment of salaries, pay or compensation, to the civil service retirement and disability fund, a sum as provided by section 4(a) of the Civil Service Retirement Act, as amended (5 U.S.C. 2254a), except that such sum shall be determined by applying to the total basic salaries (as defined in that Act) paid to the employees of the Fund covered by that Act, the per centum rate determined annually by the Civil Service Commission to be the excess of the total normal cost per centum rate of the civil service retirement system over the employee deduction rate specified in said section 4(a). The Fund shall also contribute at least quarterly from such appropriation or fund, to the employees' compensation fund, the amount determined by the Secretary of Labor to be the full cost of benefits and other payments made from such fund on account of injuries and deaths of its employees which may hereafter occur. The Fund shall also pay into the Treasury as miscellaneous receipts that portion of the cost of administration of the respective funds attributable to its employees, as determined by the Civil Service Commission and the Secretary of Labor.

(e) The assets of the Development Loan Fund on the date of enactment of the Mutual Security Act of 1958 shall be transferred as of such date to the body corporate created by section 202(a) of this Act. In addition, records, personnel, and property of the International Cooperation Administration may, as agreed by the Managing Director and the Director of the International Cooperation Administration or as determined by the President, be transferred to the Fund. Obligations and liabilities incurred against, and rights established or acquired for the benefit of or with respect to, the Development Loan Fund during the period between August 14, 1957, and the date of enactment of the Mutual Security Act of 1958 are hereby transferred to, and accepted and assumed by, the body corporate created by section 202(a) of this Act. A person serving as Manager of the Development Loan Fund as of the date of enactment of the Mutual Security Act of 1958 shall not, by reason of the enactment of that Act, require reappointment in order to serve in the office of Managing Director provided for in section 205(b) of this Act.

SEC. 206. NATIONAL ADVISORY COUNCIL.—The Fund shall be administered subject to the applicable provisions of section 4 of the Bretton Woods Agreements Act (22 U.S.C. 286b) with respect to the functions of the National Advisory Council on International Monetary and Financial Problems.

SEC. 207. HOUSING PROJECTS IN LATIN AMERICAN COUNTRIES.—It is the sense of the Congress that in order to stimulate private home-ownership, encourage the development of free financial institutions, and assist in the development of a stable economy, the authority conferred by this title should be utilized for the purpose of assisting in the development in the American Republics of self-liquidating pilot housing projects designed to provide experience in countries at various stages of economic development by participating with such countries in (1) providing capital for the establishment of, or for assistance in the establishment of, savings

and loan type institutions in such countries; and (2) guaranteeing private United States capital available for investment in Latin American countries for the purposes set forth herein.

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SEC. 304. AUTHORIZATION.—There is hereby authorized to be appropriated to the President to remain available until expended not to exceed [$179,500,000] *$172,000,000* for use beginning in the fiscal year [1960] *1961* to carry out the purposes of this title.

SEC. 305. LIMITATION ON USE OF FUNDS.—Funds made available under section 304 may be expended to furnish assistance in the form of equipment or commodities only where necessary for instruction or demonstration purposes.

SEC. 306. MULTILATERAL TECHNICAL COOPERATION AND RELATED PROGRAMS.—As one means of accomplishing the purposes of this title and this Act, the United States is authorized to participate in multilateral technical cooperation and related programs carried on by the United Nations, the Organization of American States, their related organizations, and other international organizations, wherever practicable. There is hereby authorized to be appropriated to carry out the purpose of this section, in addition to the amounts authorized by section 304, not to exceed—

(a) [$30,000,000] *$33,000,000* for the fiscal year [1960] *1961* for contributions to the United Nations Expanded Program of Technical Assistance and such related fund as may hereafter be established: *Provided*, That, notwithstanding the limitation of 33.33 per centum contained in the Mutual Security Appropriation Act, 1957, the United States contribution for such purpose may constitute for the calendar year 1958 as much as but not to exceed 45 per centum of the total amount contributed for such purpose and for succeeding calendar years not to exceed 40 per centum of the total amount contributed for such purpose (including assessed and audited local costs) for each such year.

(b) $1,500,000 for the fiscal year [1960] *1961* for contributions to the technical cooperation program of the Organization of American States.

SEC. 307. ADVANCES AND GRANTS; CONTRACTS.—(*a*) The President may make advances and grants-in-aid of technical cooperation programs to any person, corporation, or other body of persons or to any foreign government agency. The President may make and perform contracts and agreements in respect to technical cooperation programs on behalf of the United States Government with any person, corporation, or other body of persons however designated, whether within or without the United States, or with any foreign government or foreign government agency. A contract or agreement which entails commitments for the expenditure of funds appropriated pursuant to this title may, subject to any future action of the Congress, extend at any time for not more than three years.

(*b*) *The President shall arrange for a nongovernmental research group, university, or foundation to study the advisability and practicability of a program, to be known as the Point Four Youth Corps, under which young United States citizens would be trained and serve abroad in programs of technical cooperation. Not to exceed $10,000 from funds made available*

pursuant to section 304 of this Act may be used to help defray the expenses of such a study.

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TITLE IV—SPECIAL ASSISTANCE AND OTHER PROGRAMS

SEC. 400. SPECIAL ASSISTANCE.—(a) There is hereby authorized to be appropriated to the President for the fiscal year [1960] *1961* not to exceed [$247,500,000] *$260,000,000* for use on such terms and conditions as he may specify for assistance designed to maintain or promote political or economic stability.

(b) For the purpose of promoting economic development in Latin America there is hereby authorized to be appropriated to the President not to exceed $25,000,000, which shall remain available until expended, and in the utilization of such sum preference shall be given to (A) projects or programs that will clearly contribute to promoting health, education, and sanitation in the area as a whole or among a group or groups of countries of the area, (B) joint health, education, and sanitation assistance programs undertaken by members of the Organization of American States; and (C) such land resettlement programs as will contribute to the resettlement of foreign and native migrants in the area as a whole, or in any country of the area, for the purpose of advancing economic development and agricultural and industrial productivity: *Provided*, That assistance under this sentence shall emphasize loans rather than grants wherever possible, and not less than 90 per centum of the funds made available for assistance under this subsection shall be available only for furnishing assistance on terms of repayment in accordance with the provisions of section 505.

(c) The President is authorized to use not to exceed $20,000,000 of funds appropriated pursuant to subsection (a) of this section for assistance, on such terms and conditions as he may specify, to schools and libraries abroad, founded or sponsored by citizens of the United States, and serving as study and demonstration centers for ideas and practices of the United States, notwithstanding any other Act authorizing assistance of this kind. Further, in addition to the authority contained in this subsection, it is the sense of Congress that the President should make a special and particular effort to utilize foreign currencies accruing under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, and notwithstanding the provisions of Public Law 213, Eighty-second Congress, the President is authorized to utilize foreign currencies accruing to the United States under this or any other Act, for the purposes of this subsection and for hospitals abroad designed to serve as centers for medical treatment, education and research, founded or sponsored by citizens of the United States.

SEC. 401. UNITED NATIONS EMERGENCY FORCE.—The Congress of the United States, recognizing the important contribution of the United Nations Emergency Force to international peace and security, declares it to be the policy of the United States and the purpose of this section to support the United Nations Emergency Force. The President is hereby authorized to use during the fiscal year [1960] *1961* funds made available pursuant to section 400(a) of this Act for contributions on a voluntary basis to the budget of the United Nations Emergency Force.

SEC. 402. EARMARKING OF FUNDS.—Of the funds authorized to be made available in the fiscal year [1960] *1961* pursuant to this Act, (other than funds made available pursuant to title II), not less than $175,000,000 shall be used to finance the export and sale for foreign currencies or the grant of surplus agricultural commodities or products thereof produced in the United States, in addition to surplus agricultural commodities or products transferred pursuant to the Agricultural Trade Development and Assistance Act of 1954, and in accordance with the standards as to pricing and the use of private trade channels expressed in section 101 of said Act. Foreign currency proceeds accruing from such sales shall be used for the purposes of this Act and with particular emphasis on the purposes of section 104 of the Agricultural Trade Development and Assistance Act of 1954 which are in harmony with the purposes of this Act. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use for such purposes the foreign currencies which accrue to the United States under this section. Surplus food commodities or products thereof made available for transfer under this Act (or any other Act) as a grant or as a sale for foreign currencies may also be made available to the maximum extent practicable to eligible domestic recipients pursuant to section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431), or to needy persons within the United States pursuant to clause (2) of section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c). Section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431), is amended by inserting "whether in private stocks or" after "commodities" the first time that word appears.

SEC. 403. RESPONSIBILITIES IN GERMANY.—The President is hereby authorized to use during the fiscal year [1960] *1961* not to exceed [$7,500,000] *$6,750,000* of the funds made available pursuant to section 400(a) of this Act in order to meet the responsibilities or objectives of the United States in Germany, including West Berlin. In carrying out this section, the President may also use currency which has been or may be deposited in the GARIOA (Government and Relief in Occupied Areas) Special Account, including that part of the German currency now or hereafter deposited under the bilateral agreement of December 15, 1949, between the United States and the Federal Republic of Germany (or any supplementary or succeeding agreement) which, upon approval by the President, shall be deposited in the GARIOA Special Account under the terms of article V of that agreement. The President may use the funds available for the purposes of this section on such terms and conditions as he may specify, and without regard to any provision of law which he determines must be disregarded.

SEC. 404. INDUS BASIN DEVELOPMENT.—The Congress of the United States welcomes the progress made through the good offices of the International Bank for Reconstruction and Development toward the development of the Indus Basin through a program of cooperation among south Asian and other nations of the free world in order to promote economic growth and political stability in south Asia, and affirms the willingness of the United States, pursuant to authorities contained in this and other Acts, to participate in this significant undertaking. In the event that funds appropriated pursuant to this Act are made available to be used by or

under the supervision of the International Bank for Reconstruction and Development in furtherance of the foregoing purposes, such funds may be used in accordance with requirements, standards, or procedures established by the Bank concerning completion of plans and cost estimates and determination of feasibility, rather than with requirements, standards, or procedures concerning such matters set forth in this or other Acts; and such funds may also be used without regard to the provisions of section 901(b) of the Merchant Marine Act of 1936, as amended (46 U.S.C. 1241), whenever the President determines that such provisions cannot be fully satisfied without seriously impending or preventing accomplishment of such purposes.

SEC. 405. MIGRANTS, REFUGEES, AND ESCAPEES.—(a) The President is hereby authorized to continue membership for the United States on the Intergovernmental Committee for European Migration in accordance with its constitution approved in Venice, Italy, on October 19, 1953. For the purpose of assisting in the movement of migrants, there is hereby authorized to be appropriated such amounts as may be necessary from time to time for the payment by the United States of its contributions to the Committee and all necessary salaries and expenses incident to United States participation in the Committee.

(b) Of the funds made available under this Act, not more than $800,000 may be used by the President to facilitate the migration to the other American Republics of persons resident in that portion of the Ryukyu Island Archipelago under United States control.

(c) There is hereby authorized to be appropriated for the fiscal year [1960] *1961* not to exceed $1,100,000 for contributions to the program of the United Nations High Commissioner for Refugees for assistance to refugees under his mandate.

(d) There is hereby authorized to be appropriated to the President for the fiscal year [1960] *1961* not to exceed [$5,200,000] *$3,500,000* for continuation of activities, including care, training, and resettlement, which have been undertaken for selected escapees under section 451 of this Act.

SEC. 406. CHILDREN'S WELFARE.—There is hereby authorized to be appropriated not to exceed $12,000,000 for the fiscal year [1960] *1961* for contributions to the United Nations Children's Fund.

SEC. 407. PALESTINE REFUGEES IN THE NEAR EAST.—There is hereby authorized to be appropriated to the President for the fiscal year [1960] *1961* not to exceed [$25,000,000] *$22,000,000* to be used to make contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East [: *Provided*, That of the funds appropriated pursuant to this section 10 per centum shall be available only for repatriation or resettlement of such refugees]. *After January 1, 1961, United States contributions shall not be used for programs of relief which heretofore have been administered on the basis of ration cards except for refugees whose need and eligibility for relief have been certified after July 1, 1960. The provisions of section 548, which relate to the availability of unexpended balances, shall not be applicable to unobligated balances of any funds heretofore or hereafter appropriated pursuant to this section. The President shall include in his recommendations to the Congress for fiscal year 1962 programs under this Act specific recommendations with respect to a program for the progressive repatriation and resettlement of refugees and for reducing United States contributions to the United Nations Relief and Works Agency for Palestine*

Refugees in the Near East. In determining whether or not to continue furnishing assistance for Palestine refugees in the Near East, the President shall take into account whether Israel and the Arab host governments are taking steps toward the resettlement and repatriation of such refugees. Whenever the President shall determine that it would more effectively contribute to the relief, rehabilitation, and resettlement of Palestine refugees in the Near East, he may expend any part of the funds made available pursuant to this section through any other agency he may designate.

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SEC. 409. OCEAN FREIGHT CHARGES.—(a) In order to further the efficient use of United States voluntary contributions for relief and rehabilitation in nations and areas eligible for assistance under this Act, the President may pay ocean freight charges from United States ports to designated ports of entry of such nations and areas, *or, in the case of such nations and areas which are landlocked, transportation charges from the United States ports to designated points of entry in such nations and areas,* on shipments by United States voluntary nonprofit relief agencies registered with and approved by the Advisory Committee on Voluntary Foreign Aid and shipments by the American Red Cross.

(b) Where practicable the President shall make arrangements with the receiving nation for free entry of such shipments and for the making available by that nation of local currencies for the purpose of defraying the transportation cost of such shipments from the port of entry of the receiving nation to the designated shipping point of the consignee.

(c) There is hereby authorized to be appropriated to the President for the fiscal year [1960] *1961* not to exceed [$2,300,000] *$2,000,000* to carry out the purposes of this section.

(d) In addition, any funds made available under this Act may be used, in amounts determined by the President, to pay ocean freight charges on shipments of surplus agricultural commodities, including commodities made available pursuant to any Act for the disposal abroad of United States agricultural surpluses.

SEC. 411. ADMINISTRATIVE AND OTHER EXPENSES.—(a) Whenever possible, the expenses of administration of this Act shall be paid for in the currency of the nation where the expense is incurred.

(b) There is hereby authorized to be appropriated to the President for the fiscal year [1960] *1961* not to exceed [$39,500,000] *$40,000,000* for necessary administrative expenses incident to carrying out the provisions of this Act (other than chapter I and title II of chapter II) and functions under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691 and the following) performed by any agency or officer administering nonmilitary assistance.

(c) There are authorized to be appropriated [to] *for expenses of* the Department of State such amounts as may be necessary from time to time for administrative expense which are incurred for functions of the Department under this Act or for normal functions of the Department which relate to functions under this Act, and for expenses of carrying out the objectives of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611): *Provided,* That, in addition, funds made

available for carrying out chapter I of this Act shall be available for carrying out the objectives of the Mutual Defense Assistance Control Act of 1951 in such amounts as the President may direct.

(d) Funds made available for the purposes of this Act may be used for compensation, allowances, and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purposes of this Act, and without regard to the provisions of any other law, for printing and binding, and for expenditures outside [the continental limits of] the United States for the procurement of supplies and services and for other administrative and operating purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligations and expenditure of Government funds as may be necessary to accomplish the purposes of this Act.

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SEC. 419. ATOMS FOR PEACE.—(a) The President is hereby authorized to furnish from funds made available pursuant to this section, in addition to other funds available for such purposes, and on such terms and conditions as he may specify, assistance designed to promote the peaceful uses of atomic energy abroad. There is hereby authorized to be appropriated to the President for the fiscal year [1960] *1961* not to exceed [$6,500,000] *$3,400,000* to carry out the purposes of this section.

(b) The United States share of the cost of any research reactor made available to another government under this section shall not exceed $350,000.

(c) In carrying out the purposes of this section, the appropriate United States departments and agencies shall give full and continuous publicity through the press, radio, and all other available mediums, so as to inform the peoples of the participating countries regarding the assistance, including its purpose, source, and character, furnished by the United States. Such portions of any research reactor furnished under this section as may be appropriately die-stamped or labeled as a product of the United States shall be so stamped or labeled.

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CHAPTER III—CONTINGENCY FUND

SEC. 451. PRESIDENT'S SPECIAL AUTHORITY AND CONTINGENCY FUND.—(a) Of the funds made available for use under this Act, not to exceed $150,000,000, in addition to the funds authorized for use under this subsection by subsection (b) of this section, may be used in any fiscal year, without regard to the requirements of this Act or any other Act for which funds are authorized by this Act or any Act appropriating funds for use under this Act, in furtherance of any of the purposes of such Acts, when the President determines that such use is important to the security of the United States. Not to exceed $100,000,000 of the funds available under this subsection may be expended for any selected persons who are residing in or escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia, and Estonia or the Communist-dominated or Communist-occupied areas of Germany, or any Communist-dominated or Communist-occupied areas of Asia and any other countries absorbed by the Soviet Union, either to form such persons

into elements of the military forces supporting the North Atlantic Treaty Organization or for other purposes, when the President determines that such assistance will contribute to the defense of the North Atlantic area or to the security of the United States. Certification by the President that he has expended amounts under this Act, not in excess of $50,000,000, and that it is inadvisable to specify the nature of such expenditures, shall be deemed a sufficient voucher for such amounts. Not more than $30,000,000 of the funds available under this subsection may be allocated to any one nation in any fiscal year.

(b) There is hereby authorized to be appropriated to the President for the fiscal year [1960] *1961* not to exceed [$155,000,000] *$175,000,000* for assistance authorized by this Act, other than by title II of chapter II, in accordance with the provisions of this Act applicable to the furnishing of such assistance. $100,000,000 of the funds authorized to be appropriated pursuant to this subsection for any fiscal year may be used in such year in accordance with the provisions of subsection (a) of this section.

(c) It is the purpose of this Act to advance the cause of freedom. The Congress joins with the President of the United States in proclaiming the hope that the peoples who have been subjected to the captivity of Communist despotism shall again enjoy the right of self-determination within a framework which will sustain the peace; that they shall again have the right to choose the form of government under which they will live, and that sovereign rights of self-government shall be restored to them all in accordance with the pledge of the Atlantic Charter. Funds available under subsection (a) of this section may be used for programs of information, relief, exchange of persons, education, and resettlement, to encourage the hopes and aspirations of peoples who have been enslaved by communism.

Chapter IV—General and Administrative Provisions

Sec. 501. Transferability of Funds.—Whenever the President determines it to be necessary for the purposes of this Act, not to exceed 10 per centum of the funds made available pursuant to any provision of this Act may be transferred to and consolidated with the funds made available pursuant to any other provisions of this Act, and may be used for any of the purposes for which such funds may be used, except that the total in the provision for the benefit of which the transfer is made shall not be increased by more than 20 per centum of the amount made available for such provision pursuant to this Act.

Sec. 502. Use of Foreign Currency.—(a) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, proceeds of sales made under section 550 of the Mutual Security Act of 1951, as amended, shall remain available and shall be used for any purposes of this Act, giving particular regard to the following purposes—

(1) for providing military assistance to nations or mutual defense organizations eligible to receive assistance under this Act;

(2) for purchase of goods or services in friendly nations;

(3) for loans, under applicable provisions of this Act, to increase production of goods or services, including strategic materials, needed in any nation with which an agreement was

negotiated, or in other friendly nations, with the authority to use currencies received in repayment for the purposes stated in this section or for deposit to the general account of the Treasury of the United States;

(4) for developing new markets on a mutually beneficial basis;

(5) for grants-in-aid to increase production for domestic needs in friendly countries; and

(6) for purchasing materials for United States stockpiles.

(b) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, local currencies owned by the United States shall be made available to appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946, as amended, and to the Joint Committee on Atomic Energy and the Joint Economic Committee and the Select Committees on Small Business of the Senate and House of Representatives for their local currency expenses: *Provided*, That each member or employee of any such committee shall make, to the chairman of such committee in accordance with regulations prescribed by such committee, an itemized report showing the amounts and dollar equivalent values of each such foreign currency expended, together with the purposes of the expenditure, including lodging, meals, transportation, and other purposes. Within the first sixty days that Congress is in session in each calendar year, the chairman of each such committee shall consolidate the reports of each member and employee of the committee and forward said consolidated report showing the total itemized expenditures of the committee and each subcommittee thereof during the preceding calendar year, to the Committee on House Administration of the House of Representatives (if the committee be a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Committee on Appropriations of the Senate (if the committee be a Senate committee or a joint committee whose funds are disbursed by the Secretary of the Senate). Each such report submitted by each committee shall be published in the Congressional Record within ten legislative days after receipt by the Committee on House Administration of the House or the Committee on Appropriations of the Senate.

(c) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, if the President finds that participation by the United States in an internationally financed program to preserve the great cultural monuments of the Upper Nile would promote the foreign policy of the United States he may, subject to the approval of the Congress, use or enter into agreements with friendly nations or organizations of nations to use, for this purpose, foreign currencies owned by the United States which have been generated under this Act or under the Agricultural Trade Development and Assistance Act of 1954, as amended, in the countries in which the program is to be carried out, but the value of foreign currencies so used shall not exceed an amount equal to 33⅓ per centum of the total cost of such program.

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SEC. 504. SMALL BUSINESS.—(a) Insofar as practicable and to the maximum extent consistent with the accomplishment of the purposes of this Act, the President shall assist American small business to

participate equitably in the furnishing of commodities and services financed with funds authorized under chapter II of this Act—

(1) by causing to be made available to suppliers in the United States and particularly to small independent enterprises, information, as far in advance as possible, with respect to purchases proposed to be financed with such funds.

(2) by causing to be made available to prospective purchasers in the nations receiving assistance under this Act information as to commodities and services produced by small independent enterprises in the United States, and

(3) by providing for additional services to give small business better opportunities to participate in the furnishing of commodities and services financed with such funds.

(b) There shall be an Office of Small Business, headed by a Special Assistant for Small Business, in such United States Government Agency as the President may direct, to assist in carrying out the provisions of subsection (a) of this section.

(c) The Secretary of Defense shall assure that there is made available to suppliers in the United States, and particularly to small independent enterprises, information with respect to purchases made by the Department of Defense pursuant to chapter I, such information to be furnished as far in advance as possible.

[(d) Of the funds appropriated pursuant to section 451(b) of this Act, the President is authorized to utilize not to exceed $2,500,000 for the fiscal year 1960 to make available to foreign small business concerns in underdeveloped countries, or to foreign government organizations established for the purpose of helping such concerns in underdeveloped countries, on such terms and conditions as he may determine, machine tools, industrial equipment, and other equipment owned by agencies of the United States Government.]

SEC. 505. LOAN ASSISTANCE AND SALES.—(a) Except as otherwise specifically provided in this Act, assistance under this Act may be furnished on a grant basis or on such terms, including cash, credit, or other terms of repayment (including repayment in foreign currencies or by transfer to the United States of materials required for stockpiling or other purposes) as may be determined to be best suited to the achievement of the purposes of this Act and shall emphasize loans rather than grants wherever possible. *Commodities, equipment, and materials transferred to the United States as repayment may be used for assistance authorized by this Act, other than title II of chapter II, in accordance with the provisions of this Act applicable to the furnishing of such assistance.* Whenever commodities, equipment, materials, or services are sold for foreign currencies the President, notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, may use or enter into arrangements with friendly nations or organizations of nations to use such currencies for the purposes for which the funds providing the commodities, equipment, materials, or services which generated the currencies were appropriated.

(b) Funds for the purpose of furnishing assistance on terms of repayment may be allocated to the Export-Import Bank of Washington, which may, notwithstanding the provisions of the Export-Import Bank Act of 1945 (59 Stat. 526), as amended, make and administer the credit on such terms. Credits made by the Export-

Import Bank of Washington with funds so allocated to it shall not be considered in determining whether the Bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945 (59 Stat. 529), as amended. United States dollars received in repayment of principal and payment of interest on any loan made under this section shall be deposited in miscellaneous receipts of the Treasury. Foreign currencies received in repayment of principal and payment of interest on any such loan which are in excess of the requirements as determined from time to time by the Secretary of State for purposes authorized in section 32(b)(2) of the Surplus Property Act of 1944, as amended (50 App. U.S.C. 1641(b)), may be sold by the Secretary of the Treasury to United States Government agencies for payment of their obligations abroad and the United States dollars received as reimbursement shall also be deposited into miscellaneous receipts of the Treasury. Foreign currencies so received which are in excess of the requirements of the United States in the payment of its obligations abroad, as such requirements may be determined from time to time by the President, shall be credited to and be available for the authorized purposes of the Development Loan Fund in such amounts as may be specified from time to time in appropriation Acts. Amounts received in repayment of principal and interest on any credits made under paragraph 111(c)(2) of the Economic Cooperation Act of 1948, as amended, shall be deposited into miscellaneous receipts of the Treasury, except that, to the extent required for such purpose, amounts received in repayment of principal and interest on any credits made out of funds realized from the sale of notes heretofore authorized to be issued for the purpose of financing assistance on a credit basis under paragraph 111(c)(2) of the Economic Cooperation Act of 1948, as amended, shall be deposited into the Treasury for the purpose of the retirement of such notes.

* * * * * * *

SEC. 513. NOTICE TO LEGISLATIVE COMMITTEES.—When any transfer is made under section 501, or any other action is taken under this Act which will result in furnishing assistance of a kind, for a purpose, or to an area, substantially different from that included in the presentation to the Congress during its consideration of this Act or Acts appropriating funds pursuant to authorizations contained in this Act or which will result in expenditures greater by 50 per centum or more than the proposed expenditures included in such presentation for the program concerned, the President or such officer as he may designate shall promptly notify the Committee on Foreign Relations and, when military assistance is involved, the Committee on Armed Services of the Senate, and the Speaker of the House of Representatives, stating the justification for such changes. Notice shall also be given to the Committee on Foreign Relations of the Senate and the Speaker of the House of Representatives of any determination under the first sentence of section 451 (except with respect to unvouchered funds) *and under the last clause of the second sentence of section 404,* and copies of any certification as to loyalty under section 531 shall be filed with them.

* * * * * * *

SEC. 523. COORDINATION WITH FOREIGN POLICY.—(a) Nothing contained in this Act shall be construed to infringe upon the powers or functions of the Secretary of State.

(b) The President shall prescribe appropriate procedures to assure coordination among representatives of the United States Government in each country, under the leadership of the Chief of the United States Diplomatic Mission. The Chief of the Diplomatic Mission shall make sure that recommendations of such representatives pertaining to military assistance are coordinated with political and economic considerations, and his comments shall accompany such recommendations if he so desires.

(c) Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of the assistance programs authorized by this Act, including but not limited to determining whether there shall be a military assistance program for a country and the value thereof, to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby.

(d) Whenever the Chief of the United States diplomatic mission in a country determines that the achievement of United States foreign policy objectives there requires it, he may issue regulations of uniform applicability to all officers and employees of the United States Government and of contractors with the United States Government governing the extent to which their pay and allowances received in that country shall be paid in local currency. Notwithstanding any other law, United States Government agencies are authorized and directed to comply with such regulations.

* * * * * * *

SEC. 527. EMPLOYMENT OF PERSONNEL.—(a) Any United States Government agency performing functions under this Act is authorized to employ such personnel as the President deems necessary to carry out the provisions and purposes of this Act.

(b) Of the personnel employed in the United States on programs authorized by this Act, not to exceed [seventy] *seventy-six* may be compensated without regard to the provisions of the Classification Act of 1949, as amended, of whom not to exceed [forty-five] *fifty-one* may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended, and of these, not to exceed fifteen may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per annum. Such positions shall be in addition to those authorized by law to be filled by Presidential appointment, and in addition to the number authorized by section 505 of the Classification Act of 1949, as amended. One of the offices established by section 1(d) of Reorganization Plan Numbered 7 of 1953 may, notwithstanding the provisions of any other law, be compensated at a rate not in excess of $20,000 per annum.

(c) For the purpose of performing functions under this Act outside [the continental limits of] the United States, the [Director] *President* may—

(1) employ or assign persons, or authorize the employment or assignment of officers or employees of other United States Government agencies, who shall receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by

the Foreign Service Act of 1946, as amended (22 U.S.C. 801), together with allowances and benefits established thereunder including, in all cases, post differentials prescribed under section 443 of the Foreign Service Act; and persons so employed or assigned shall be entitled, except to the extent that the President may specify otherwise in cases in which the period of the employment or assignment exceeds thirty months, to the same benefits as are provided in section 528 of the Foreign Service Act for persons appointed to the Foreign Service Reserve and, except for policymaking officials, the provisions of section 1005 of the Foreign Service Act shall apply in the case of such persons; and

(2) utilize such authority, including authority to appoint and assign personnel for the duration of operations under this Act, contained in the Foreign Service Act of 1946, as amended (22 U.S.C. 801), as the President deems necessary to carry out functions under this Act. Such provisions of the Foreign Service Act as the President deems appropriate shall apply to personnel appointed or assigned under this paragraph, including, in all cases, the provisions of sections 443 and 528 of that Act: *Provided, however,* That the President may by regulation make exceptions to the application of section 528 in cases in which the period of the appointment or assignment exceeds thirty months: *Provided further, That Foreign Service Reserve Officers appointed or assigned pursuant to this paragraph shall receive in-class promotions in accordance with such regulations as the President may prescribe.*

(d) For the purpose of performing functions under this Act outside [the continental limits of] the United States, the Secretary of State may[, at the request of the Director,] appoint for the duration of operations under this Act alien clerks and employees in accordance with applicable provisions of the Foreign Service Act of 1946, as amended (22 U.S.C. 801).

(e) Notwithstanding the provisions of title 10, United States Code, section 712, or any other law containing similar authority, officers and employees of the United States performing functions under this Act shall not accept from any foreign nation any compensation or other benefits. Arrangements may be made by the President with such nations for reimbursement to the United States or other sharing of the cost of performing such functions.

* * * * * * *

SEC. 530. EXPERTS AND CONSULTANTS OF ORGANIZATIONS THEREOF.—(a) Experts and consultants or organizations thereof, as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), may be employed by any United States Government agency for the performance of functions under this Act, and individuals so employed may be compensated at rates not in excess of $75 per diem, and while away from their homes or regular places of business, they may be paid actual travel expenses and per diem in lieu of subsistence and other expenses at a rate not to exceed $10 or at the applicable rate prescribed in the Standardized Government Travel Regulations, as amended from time to time, whichever is higher, while so employed within [the continental limits of] the United States and at the applicable rate prescribed in the Standardized Government Travel Regulations (Foreign Areas) while so employed outside [the conti-

nental limits of] the United States: *Provided*, That contracts for such employment with such organizations may be renewed annually.

(b) Persons of outstanding experience and ability may be employed without compensation by any United States Government agency for the performance of functions under this Act in accordance with the provisions of section 710(b) of the Defense Production Act of 1950, as amended (50 U.S.C. App. 2160), and regulations issued thereunder.

* * * * * * *

SEC. 534. REPORTS.—(a) The President, from time to time while funds appropriated for the purpose of this Act continue to be available for obligation, shall transmit to the Congress reports covering each [six months] *fiscal year* of operations, in furtherance of the purposes of this Act, except information the disclosure of which he deems incompatible with the security of the United States. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session. Such reports shall include detailed information on the implementation of sections 504, 202, 400, 416, 413(b), and 418 of this Act.

(b) All documents, papers, communications, audits, reviews, findings, recommendations, reports, and other material which relate to the operation or activities of the International Cooperation Administration shall be furnished to the General Accounting Office and to any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation or appropriation for, or expenditures of, such Administration, upon request of the General Accounting Office or such committee or subcommittee as the case may be.

* * * * * * *

SEC. 537. PROVISIONS ON USES OF FUNDS.—(a) Appropriations for the purposes of this Act (except for chapter I), allocations to any United States Government agency, from other appropriations, for functions directly related to the purposes of this Act, and funds made available for other purposes to any agency administering nonmilitary assistance, shall be available for—

(1) rents in the District of Columbia;

(2) expenses of attendance at meetings concerned with the purposes of such appropriations, including (notwithstanding the provisions of section 9 of the Act of March 4, 1909 (31 U.S.C. 673)) expenses in connection with meetings of persons whose employment is authorized by section 530 of this Act;

(3) [employment of aliens, by contract, for services abroad] *contracting with individuals for personal services abroad: Provided, That such individuals shall not be regarded as employees of the United States for the purpose of any law administered by the Civil Service Commission;*

(4) purchases, maintenance, operation, and hire of aircraft: *Provided*, That aircraft for administrative purposes may be purchased only as specifically provided for in an appropriation or other Act;

(5) purchase and hire of passenger motor vehicles: *Provided*, That except as may otherwise be provided in an appropriation

or other Act, passenger motor vehicles abroad for administrative purposes may be purchased for replacement only and such vehicles may be exchanged or sold and replaced by an equal number of such vehicles and the cost, including exchange allowance, of each such replacement shall not exceed $3,500 in the case of an automobile for the chief of any special mission or staff abroad established under section 526 of this Act: *Provided further*, That passenger motor vehicles may be purchased for use in the [continental] United States only as may be specifically provided in an appropriation or other Act;

(6) entertainment within the United States (not to exceed $15,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act);

(7) exchange of funds without regard to section 3651 of the Revised Statutes (31 U.S.C. 543), and loss by exchange;

(8) expenditures (not to exceed $50,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act) of a confidential character other than entertainment: *Provided*, That a certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by an officer administering nonmilitary assistance, or such person as he may designate, and every such certificate shall be deemed a sufficient voucher for the amount therein specified;

(9) insurance of official motor vehicles in foreign countries;

(10) rental or lease outside [the continental limits of] the United States of offices, buildings, grounds, and living quarters to house personnel; maintenance, furnishings, necessary repairs, improvements, and alterations to properties owned or rented by the United States Government abroad; and costs of fuel, water and utilities for such properties;

(11) actual expenses of preparing and transporting to their former homes in the United States or elsewhere, and of care and disposition of, the remains of persons or member of the families of persons who may die while such persons are away from their homes participating in activities carried out with funds covered by this subsection (a);

(12) purchase of uniforms;

(13) payment of per diem in lieu of subsistence to foreign participants engaged in any program of furnishing technical information and assistance, while such participants are away from their homes in countries other than the [continental] United States, at rates not in excess of those prescribed by the Standardized Government Travel Regulations, notwithstanding any other provision of law;

(14) expenses authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801 and the following), not otherwise provided for;

(15) ice and drinking water for use abroad;

(16) services of commissioned officers of the Public Health Service and of the Coast and Geodetic Survey, and for the purposes of providing such services the Public Health Service may appoint not to exceed twenty officers in the regular corps to grades above that of senior assistant, but not above that of director, as otherwise authorized in accordance with section 711

of the Act of July 1, 1944, as amended (42 U.S.C. 211a), and the Coast and Geodetic Survey may appoint for such purposes not to exceed twenty commissioned officers in addition to those otherwise authorized.

(17) expenses in connection with travel of personnel outside the [continental] United States, including travel expenses of dependents (including expenses during necessary stopovers while engaged in such travel) and transportation of personal effects, household goods, and automobiles of such personnel when any part of such travel or transportation begins in one fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during that same fiscal year, and cost of transporting to and from a place of storage, and the cost of storing, the furniture and household and personal effects of any employee (i) for not to exceed three months after first arrived at a new post, (ii) when an employee is assigned to a post to which he cannot take, or at which he is unable to use, his furniture and household and personal effects, (iii) when such storage would avoid the cost of transporting such furniture and effects from one location to another, (iv) when he is temporarily absent from his post under orders, or (v) when through no fault of the employee, storage costs are incurred on such furniture and effects (including automobiles) in connection with authorized travel, under such regulations as an officer administering nonmilitary assistance, or such person as he may designate, may prescribe;

(18) payment of unusual expenses incident to the operation and maintenance of official residences for chiefs of special missions or staffs serving in accordance with section 526 of this Act.

(b) United States Government agencies are authorized to pay the costs of health and accident insurance for foreign participants in any exchange-of-persons program or any program of furnishing technical information and assistance administered by any such agency while such participants are en route or absent from their homes for purposes of participation in any such program.

(c) Notwithstanding the provisions of section 406(a) of Public Law 85–241, not to exceed $27,750,000, of the funds available for assistance in Korea under this Act may be used by the President to construct or otherwise acquire essential living quarters, office space, and supporting facilities in Korea for use by personnel carrying out activities under this Act, and not to exceed [$2,750,000] *$4,250,000* of funds made available for assistance in other countries under this Act may be used (in addition to funds available for such use under other authorities in this Act) for construction or acquisition of such facilities for such purposes elsewhere.

(d) Funds made available under section 400(a) may be used for expenses (other than those provided for under section 411(b) of this Act) to assist in carrying out functions under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691 and the following), delegated or assigned to any agency or officer administering nonmilitary assistance.

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AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954, AS AMENDED

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TITLE I—SALES FOR FOREIGN CURRENCY

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SEC. 104. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use the foreign currencies which accrue under this title for one or more of the following purposes:

(a) To help develop new markets for United States agricultural commodities on a mutually benefiting basis. From sale proceeds and loan repayments under this title not less than the equivalent of 5 per centum of the total sales made under this title after the date of this amendment shall be made available in advance for use as provided by this subsection over such period of years as the Secretary of Agriculture determines will most effectively carry out the purpose of this subsection: *Provided,* That no such funds shall be allocated under this subsection after June 30, 1960, except as may be specified, from time to time, in appropriation acts. Particular regard shall be given to provide in sale and loan agreements for the convertibility of such amount of the proceeds thereof as may be needed to carry out the purpose of this subsection in those countries which are or offer reasonable potential of becoming dollar markets for United States agricultural commodities. Notwithstanding any other provision of law, if sufficient foreign currencies for carrying out the purpose of this subsection in such countries are not otherwise available, agreements may be entered into with such countries for the sale of surplus agricultural commodities in such amounts as the Secretary of Agriculture determines to be adequate and for the use of the proceeds to carry out the purpose of this subsection;

(b) To purchase or contract to purchase, in such amounts as may be specified from time to time in appropriation Acts, strategic or other materials for a supplemental United States stockpile of such materials as the President may determine from time to time. Such strategic or other materials acquired under this subsection shall be placed in the above-named supplemental stockpile and shall be released therefrom only under the provisions of section 3 of the Strategic and Critical Materials Stock Piling Act;

(c) To procure military equipment, materials, facilities, and services for the common defense;

(d) For financing the purchase of goods or services for other friendly countries;

(e) For promoting balanced economic development and trade among nations, for which purposes not more than 25 per centum of the currencies received pursuant to each such agreement shall be available through and under the procedures established by the Export-Import Bank for loans mutually agreeable to said bank and the country with which the agreement is made to United States business firms and branches, subsidiaries, of affiliates of such firms for business development and trade expansion in such countries and for loans to domestic

or foreign firms for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of, and markets for, United States agricultural products: *Provided, however,* That no such loans shall be made for the manufacture of any products to be exported to the United States in competition with products produced in the United States or for the manufacture or production of any commodity to be marketed in competition with United States agricultural commodities or the products thereof. Foreign currencies may be accepted in repayment of such loans.

(f) To pay United States obligations abroad;

(g) For loans to promote multilateral trade and economic development, made through established banking facilities of the friendly nation from which the foreign currency was obtained or in any other manner which the President may deem to be appropriate. Strategic materials, services, or foreign currencies may be accepted in payment of such loans;

(h) For the financing of international educational exchange activities under the programs authorized by section 32(b)(2) of the Surplus Property Act of 1944, as amended (50 U.S.C. App. 1641(b)) and for the financing in such amounts as may be specified from time to time in appropriation acts of programs for the interchange of persons under title II of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1446). In the allocation of funds as among the various purposes set forth in this section, a special effort shall be made to provide for the purposes of this subsection, including a particular effort with regard to: (1) countries where adequate funds are not available from other sources for such purposes, and (2) countries where agreements can be negotiated to establish a fund with the interest and principal available over a period of years for such purposes, such special and particular effort to include the setting aside of such amounts from sale proceeds and loan repayments under this title, not in excess of $1,000,000 a year in any one country for a period of not more than five years in advance, as may be determined by the Secretary of State to be required for the purposes of this subsection.

(i) For financing the translation, publication, and distribution of books and periodicals, including Government publications, abroad: *Provided,* That not more than $5,000,000 may be allocated for this purpose during any fiscal year.

(j) For providing assistance to activities and projects authorized by section 203 of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1448), but no foreign currencies which are available under the terms of any agreement for appropriation for the general use of the United States shall be used for the purposes of this subsection (j) without appropriation therefor.

(k) To collect, collate, translate, abstract, and disseminate scientific and technological information and to conduct research and support scientific activities overseas including programs and projects of scientific cooperation between the United States and other countries such as coordinated research against diseases common to all of mankind or unique to individual regions of the globe, and to promote and support programs of medical and scientific research, cultural and educational development, health, nutrition, and sanitation: *Provided,* That foreign currencies shall be available for the purposes of this

subsection (in addition to funds otherwise made available for such purposes) only in such amounts as may be specified from time to time in appropriation Acts;

(l) For the acquisition by purchase, lease, rental or otherwise, of sites and buildings and grounds abroad, for United States Government use including offices, residence, quarters, community and other facilities, and for construction, repair, alteration and furnishing of such buildings and facilities: *Provided,* That foreign currencies shall be available for the purposes of this subsection (in addition to funds otherwise made available for such purposes) in such amounts as may be specified from time to time in appropriation Acts;

(m) For financing in such amounts as may be specified from time to time in appropriation Acts (A) trade fair participation and related activities authorized by section 3 of the International Cultural Exchange and Trade Fair Participation Act of 1956 (22 U.S.C. 1992), and (B) agricultural and horticultural fair participation and related activities;

(n) For financing under the direction of the Librarian of Congress, in consultation with the National Science Foundation and other interested agencies, in such amounts as may be specified from time to time in appropriation Acts, (1) programs outside the United States for the analysis and evaluation of foreign books, periodicals, and other materials to determine whether they would provide information of technical or scientific significance in the United States and whether such books, periodicals, and other materials are of cultural or educational significance; (2) the registry, indexing, binding, reproduction, cataloging, abstracting, translating, and dissemination of books, periodicals, and related materials determined to have such significance; and (3) the acquisition of such books, periodicals, and other materials and the deposit thereof in libraries and research centers in the United States specializing in the areas to which they relate;

(o) For providing assistance, in such amounts as may be specified from time to time in appropriation Acts, by grants or otherwise, in the expansion or operation in foreign countries of established schools, colleges, or universities founded or sponsored by citizens of the United States, for the purpose of enabling such educational institutions to carry on programs of vocational, professional, scientific, technological, or general education;

(p) For supporting workshops in American studies or American educational techniques, and supporting chairs in American studies;

(q) For assistance to meet emergency or extraordinary relief requirements other than requirements for surplus food commodities: *Provided,* That not more than a total amount equivalent to $5,000,000 may be made available for this purpose during any fiscal year;

(r) For financing the preparation, distribution, and exhibiting of audiovisual informational and educational materials, including Government materials, abroad: *Provided,* That not more than a total amount equivalent to $2,500,000 may be made available for this purpose during any fiscal year, but nothing in this subsection shall limit or affect the use of foreign currencies to finance the preparation, distribution, or exhibition of such materials in connection with trade fairs and other market development activities under subsection (a): *Provided, however,* That section 1415 of the Supplemental Appropriation Act, 1953 shall apply to all foreign currencies used for grants

under subsections (d) and (e) and for payment of United States obligations involving grants under subsection (f) and to not less than 10 per centum of the foreign currencies which accrue under this title: *Provided, however,* That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title: *Provided, however,* That no foreign currencies shall be available for the purpose of subsection (p), except in such amounts as may be specified from time to time in appropriation Acts[, and no foreign currencies shall be allocated under any provision of this Act after June 30, 1960, for the purposes specified in subsections (k), (p), and (r), except in such amounts as may be specified from time to time in appropriation Acts.]

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TITLE II—FAMINE RELIEF AND OTHER ASSISTANCE

SEC. 201. In order to enable the President to furnish emergency assistance on behalf of the people of the United States to friendly peoples in meeting famine or other urgent or extraordinary relief requirements, the Commodity Credit Corporation shall make available to the President out of its stocks such surplus agricultural commodities (as defined in section 106 of title I) as he may request, for transfer (1) to any nation friendly to the United States in order to meet famine or other urgent or extraordinary relief requirements of such nation, and (2) to friendly but needy populations without regard to the friendliness of their government.

SEC. 202. [The] *In order to facilitate the utilization of surplus agricultural commodities in meeting the requirements of needy peoples, and in order to promote economic development in underdeveloped areas in addition to that which can be accomplished under title I of this Act, the* President may authorize the transfer on a grant basis of surplus agricultural commodities from Commodity Credit Corporation stocks to assist programs undertaken with friendly governments or through voluntary relief agencies: *Provided,* That the President shall take reasonable precaution that such transfers will not displace or interfere with sales which might otherwise be made.

SEC. 203. Not more than $300,000,000 (including the Corporation's investment in such commodities, plus any amount by which transfers made in the preceding calendar year have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than could have been expended during such preceding year under this title as in effect during such preceding year) shall be expended in any calendar year during the period January 1, 1960, and ending December 31, 1961, for all such transfers and for other costs authorized by this title. The President may make such transfers through such agencies including intergovernmental organizations, in such manner, and upon such terms and conditions as he deems appropriate; he shall make use of the facilities of voluntary relief agencies to the extent practicable. Such transfers may include delivery f.o.b. vessels in United States ports and, upon a determination by the President that it is necessary to accomplish the purposes of this title or of section 416 of the Agricultural Act of 1949, as amended, ocean freight charges from United States ports to designated ports of entry abroad

, *or, in the case of landlocked countries, transportation from United States ports to designated points of entry abroad,* may be paid from funds available to carry out this title on commodities transferred pursuant hereto or donated under said section 416. Funds required for ocean freight costs authorized under this title may be transferred by the Commodity Credit Corporation to such other Federal agency as may be designated by the President.

SEC. 204. No programs of assistance shall be undertaken under the authority of this title after December 31, 1961.

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TITLE V OF THE MUTUAL SECURITY ACT OF 1959

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CHAPTER V—INTERNATIONAL COOPERATION IN HEALTH; COLOMBO PLAN COUNCIL FOR TECHNICAL COOPERATION

INTERNATIONAL COOPERATION IN HEALTH

SEC. 501. (a) The Congress of the United States recognizes that large areas of the world are being ravaged by diseases and other health deficiencies which are causing widespread suffering, debility, and death, and are seriously deterring the efforts of peoples in such areas to develop their resources and productive capacities and to improve their living conditions. The Congress also recognizes that international efforts are needed to assist such peoples in bringing diseases and other health deficiencies under control, in preventing their spread or reappearance, and in eliminating their basic causes. Accordingly, the Congress affirms that it is the policy of the United States to accelerate its efforts to encourage and support international cooperation in programs directed toward the conquest of diseases and other health deficiencies.

[(b) In order to carry out the purposes of subsection (a) of this section and in order to plan logically for an orderly expansion of United States support to international health activities, the President is authorized to undertake, in cooperation directly with other governments, or indirectly through utilizing the resources and services of the United Nations and the Organization of American States or any of their specialized agencies, programs and projects of research, studies, field surveys, trials, and demonstrations to determine the feasibility of future intensive programs for reduction, control, or eradication of disease problems of international importance. Of the funds appropriated pursuant to section 451(b) of the Mutual Security Act of 1954, as amended, the sum of $2,000,000 shall be available to carry out the purposes of this section.]

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PUBLIC LAW 174, 79TH CONGRESS

JOINT RESOLUTION Providing for membership of the United States in the Food and Agriculture Organization of the United Nations.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized to accept membership for the United States in the Food

and Agriculture Organization of the United Nations (hereinafter referred to as the "Organization") the Constitution of which is set forth in appendix I of the First Report to the Governments of the United Nations by the Interim Commission on Food and Agriculture, dated August 1, 1944.

SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sum not exceeding $625,000 during the first fiscal year of the Organization and *such* sums [not exceeding $3,000,000] annually thereafter as may be required for expenditure under the direction of the Secretary of State, for the payment by the United States of its proportionate share in the expenses of the Organization: *Provided,* That the percentage contribution of the United States to the total annual budget of the Organization shall not exceed 33.33 per centum.

SEC. 3. In adopting this joint resolution, it is the sense of the Congress that the Government of the United States should use its best efforts to bring about, as soon as practicable, the integration of the functions and the resources of the International Institute of Agriculture with those of the Organization, in a legal and orderly manner, to effect one united institution in such form as to provide an adequate research, informational, and statistical service for the industry of agriculture.

SEC. 4. Unless Congress by law authorizes such action, neither the President nor any person or agency shall on behalf of the United States accept any amendment under paragraph 1 of article XX of the Constitution of the Organization involving any new obligation for the United States.

SEC. 5. In adopting this joint resolution, the Congress does so with the understanding that paragraph 2 of article XIII does not authorize the Conference of the Organization to so modify the provisions of its Constitution as to involve any new obligation for the United States.

PUBLIC LAW 403, 80TH CONGRESS, AS AMENDED

JOINT RESOLUTION Providing for membership and participation by the United States in the South Pacific Commission and authorizing an appropriation therefor.

* * * * * * *

SEC. 3. There is hereby authorized to be appropriated to the Department of State, out of any money in the Treasury not otherwise appropriated—

(a) Not more than [$75,000] *$100,000* annually for the payment by the United States of its proportionate share of the expenses of the Commission and its auxiliary and subsidiary bodies, as set forth in article XIV of the Agreement Establishing the South Pacific Commission;

(b) Such additional sums as may be needed for the payment of all necessary expenses incident to participation by the United States in the activities of the Commission, including salaries of the United States Commissioners, their alternates, and appropriate staff, without regard to the civil-service laws and the Classification Act of 1949, as amended; personal services in the District of Columbia; services as authorized by section 15 of Public Law 600, Seventy-ninth Congress; under such rules and regulations as the Secretary of State may pre-

scribe, allowances for living quarters, including heat, fuel, and light and cost-of-living allowances to persons temporarily stationed abroad; hire of passenger motor vehicles and other local transportation; printing and binding without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 111); and section 3709 of the Revised Statutes, as amended; and such other expenses as the Secretary of State finds necessary to participation by the United States in the activities of the Commission: *Provided*, That the provisions of section 6 of the Act of July 30, 1946 (Public Law 565, Seventy-ninth Congress), and regulations thereunder, applicable to expenses incurred pursuant to that Act shall be applicable to any expenses incurred pursuant to this paragraph (b).

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UNITED STATES INFORMATION AND EDUCATIONAL EXCHANGE ACT OF 1948, AS AMENDED

* * * * * * *

TITLE II—INTERCHANGE OF PERSONS, KNOWLEDGE AND SKILLS

PERSONS

SEC. 201. (a) The Secretary is authorized to provide for interchanges on a reciprocal basis between the United States and other countries of students, trainees, teachers, guest instructors, professors, and leaders in fields of specialized knowledge or skill and shall wherever possible provide these interchanges by using the services of existing reputable agencies which are successfully engaged in such activity. The Secretary may provide for orientation courses and other appropriate services for such persons from other countries upon their arrival in the United States, and for such persons going to other countries from the United States. When any country fails or refuses to cooperate in such program on a basis of reciprocity the Secretary shall terminate or limit such program, with respect to such country, to the extent he deems to be advisable in the interests of the United States. The persons specified in this section shall be admitted as nonimmigrants under section 101(a)(15) of the Immigration and Nationality Act, for such time and under such conditions as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General. A person admitted under this section who fails to maintain the status under which he was admitted or who fails to depart from the United States at the expiration of the time for which he was admitted, or who engages in activities of a political nature detrimental to the interests of the United States, or in activities not consistent with the security of the United States, shall upon the warrant of the Attorney General, be taken into custody and promptly deported pursuant to sections 241, 242, and 243 of the Immigration and Nationality Act. Deportation proceedings under this section shall be summary and the findings of the Attorney General as to matters of fact shall be conclusive. Such persons shall not be eligible for suspension of deportation under section 244 of the Immigration and Nationality Act.

(b) No person admitted as an exchange visitor under this section or acquiring exchange visitor status after admission shall be eligible to apply for an immigrant visa, or for a nonimmigrant visa under section 101(a)(15)(H) of the Immigration and Nationality Act, or for adjustment of status to that of an alien lawfully admitted for permanent residence, until it is established that such person has resided and been physically present in a cooperating country or countries for an aggregate of at least two years following departure from the United States: *Provided*, That upon request of an interested Government agency and recommendation of the Secretary of State, the Attorney General may waive such two-year period of residence abroad in the case of any alien whose admission to the United States is found by the Attorney General to be in the public interest: *And provided further*, That the provisions of this paragraph shall apply only to those persons acquiring exchange visitor status subsequent to the date of the enactment hereof.

BOOKS AND MATERIALS

SEC. 202. The Secretary is authorized to provide for interchanges between the United States and other countries of books and periodicals, including government publications, for the translation of such writings, and for the preparation, distribution, and interchange of other educational materials.

INSTITUTIONS

SEC. 203. The Secretary is authorized to provide for assistance to schools, libraries, and community centers abroad, founded or sponsored by citizens of the United States, and serving as demonstration centers for methods and practices employed in the United States. In assisting any such schools, however, the Secretary shall exercise no control over their educational policies and shall in no case furnish assistance of any character which is not in keeping with the free democratic principles and the established foreign policy of the United States.

ASSISTANCE TO STUDENTS FROM OTHER COUNTRIES

SEC. 204. (a) With respect to students from other countries attending colleges or universities in the United States, under the provisions of this Act or under any other government, institution, or individual program which furthers the purposes of this Act, the Secretary is authorized to provide for counseling, orientation, supplementary English language training, and such other assistance as will help them to have a fruitful experience here consistent with the objectives of section 2.

(b) Grants which are made to colleges and universities under this section shall be made in the discretion of the Secretary on the basis of specific programs submitted to him.

(c) Institutions receiving such grants shall be obliged to contribute an equal amount to such program. No grant to an institution shall exceed $100 per foreign student enrolled in the institution during the period of the grant. No part of such grant shall be payable to a foreign student. The total amount of such grants shall not exceed $1,000,000 in any fiscal year.

○

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

[Report No. 1286]

IN THE SENATE OF THE UNITED STATES

FEBRUARY 18 (legislative day, FEBRUARY 15), 1960

Mr. FULBRIGHT (by request) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

APRIL 22, 1960

Reported, under authority of the order of the Senate of April 20, 1960, by Mr. FULBRIGHT, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, ~~That this Act may be cited as the "Mutual Security Act of 1960".~~

~~CHAPTER I—MILITARY ASSISTANCE~~

~~MILITARY ASSISTANCE~~

~~SEC. 101. Section 105(b)(4) of the Mutual Security Act of 1954, as amended, which relates to conditions appli-~~

cable to military assistance, is amended by striking out the last sentence.

CHAPTER II—ECONOMIC ASSISTANCE

DEFENSE SUPPORT

SEC. 201. Title I of chapter II of the Mutual Security Act of 1954, as amended, which relates to defense support, is amended as follows:

(a) In section 131(b), which relates to general authority, strike out "1960" and "$751,000,000" and substitute "1961" and "$724,000,000", respectively.

(b) In section 141, which relates to conditions of eligibility for assistance, strike out "No such assistance" in the second sentence and substitute "No defense support or military equipment and materials".

(c) In section 142(a), which relates to agreements, strike out "No assistance" in the introductory clause and substitute "No defense support or military equipment and materials".

DEVELOPMENT LOAN FUND

SEC. 202. Section 205(a) of the Mutual Security Act of 1954, as amended, which relates to management, powers, and authorities, is amended by striking out "Under Secretary of State for Economic Affairs" in the first sentence and substituting "Secretary of State".

TECHNICAL COOPERATION

SEC. 203. Title III of chapter II of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is amended as follows:

(a) In section 304, which relates to authorization, strike out "$179,500,000" and "1960" and substitute "$172,000,000" and "1961", respectively.

(b) Amend section 306, which relates to multilateral technical cooperation and related programs, as follows:

(1) In subsection (a), which relates to contribution to the United Nations Expanded Program of Technical Assistance and related fund, strike out "$30,000,000" and "1960" and substitute "$33,000,000" and "1961", respectively.

(2) In subsection (b), which relates to contributions to the technical cooperation program of the Organization of American States, strike out "1960" and substitute "1961".

SPECIAL ASSISTANCE AND OTHER PROGRAMS

SEC. 204. Title IV of chapter II of the Mutual Security Act of 1954, as amended, which relates to special assistance and other programs, is amended as follows:

(a) In section 400(a), which relates to special assistance, strike out "1960" and "$247,500,000" and substitute "1961" and "$268,500,000", respectively.

(b) In section 401, which relates to the United Na-

tions Emergency Force, strike out "1960" in the second sentence and substitute "1961".

(c) In section 402, which relates to earmarking of funds, strike out "1960" in the first sentence and substitute "1961".

(d) In section 403, which relates to responsibilities in Germany, strike out "1960" and "$7,500,000" in the first sentence and substitute "1961" and "$6,750,000", respectively.

(e) Insert after section 403 the following new section 404:

SEC. 404. INDUS BASIN DEVELOPMENT.—The Congress of the United States welcomes the progress made through the good offices of the International Bank for Reconstruction and Development toward the development of the Indus Basin through a program of cooperation among south Asian and other nations of the free world in order to promote economic growth and political stability in south Asia, and affirms the willingness of the United States, pursuant to authorities contained in this and other Acts, to participate in this significant undertaking. In the event that funds appropriated pursuant to this Act are made available to be used by or under the supervision of the International Bank for Reconstruction and Development in furtherance of the foregoing purposes, such funds may be

used in accordance with requirements, standards, or procedures established by the Bank concerning completion of plans and cost estimates and determination of feasibility, rather than with requirements, standards, or procedures concerning such matters set forth in this or other Acts; and such funds may also be used without regard to the provisions of section 901(b) of the Merchant Marine Act of 1936, as amended (46 U.S.C. 1241), whenever the President determines that such provisions cannot be fully satisfied without seriously impeding or preventing accomplishment of such purposes.".

(f) Amend section 405, which relates to migrants, refugees, and escapees, as follows:

(1) In subsection (c), which relates to contributions to the program of the United Nations High Commissioner for Refugees, strike out "1960" and "$1,100,000" and substitute "1961" and "$1,500,000", respectively.

(2) In subsection (d), which relates to the continuation of activities undertaken for selected escapees, strike out "1960" and "$5,200,000" and substitute "1961" and "$3,500,000", respectively.

(g) In section 406, which relates to children's welfare, strike out "1960" and substitute "1961".

(h) In section 407, which relates to Palestine refugees in the Near East, strike out "1960" and "$25,000,000" in

the first sentence and substitute "1961" and "$18,500,000", respectively; and strike out the proviso in the first sentence.

(i) In section 409(c), which relates to ocean freight charges, strike out "1960" and $2,300,000" and substitute "1961" and "$2,000,000", respectively.

(j) Amend section 411, which relates to administrative and other expenses, as follows:

(1) In subsection (b), which relates to certain expenses of administering nonmilitary assistance, strike out "1960" and "$39,500,000" and substitute "1961" and "$40,000,000", respectively.

(2) In subsection (c), which relates to administrative and other expenses of the Department of State, strike out "to" after "appropriated" and substitute "for expenses of".

(k) Section 412, which relates to the President's special education and training fund, is repealed.

(l) In section 419(a), which relates to atoms for peace, strike out "1960" and "$6,500,000" and substitute "1961" and "$3,400,000", respectively.

CHAPTER III—CONTINGENCY FUND

SEC. 301. Section 451(b) of the Mutual Security Act of 1954, as amended, which relates to the President's special authority and contingency fund, is amended by striking out "1960" and "$155,000,000" in the first sentence and substituting "1961" and "$175,000,000", respectively.

CHAPTER IV—GENERAL AND ADMINISTRATIVE PROVISIONS

SEC. 401. Chapter IV of the Mutual Security Act of 1954, as amended, which relates to general and administrative provisions, is amended as follows:

(a) Section 504(d), which relates to small machine tools and other industrial equipment, is repealed.

(b) In section 505(a), which relates to loan assistance and sales, insert after the first sentence the following new sentence: "Commodities, equipment, and materials transferred to the United States as repayment may be used for assistance authorized by this Act, other than title II of chapter II, in accordance with the provisions of this Act applicable to the furnishing of such assistance.".

(c) In section 513, which relates to notice to legislative committees, insert before ", and copies" in the last sentence the following: "and under the last clause of the second sentence of section 404".

(d) Amend section 527, which relates to employment of personnel, as follows:

(1) In subsection (b), which relates to employment of personnel in the United States, strike out "seventy" and "forty-five" in the first sentence and substitute "seventy-eight" and "fifty-three", respectively.

(2) In subsection (c), which relates to employment

of personnel outside the United States, strike out "Director" in the introductory clause and substitute "President"; and insert before the period at the end of paragraph (2) the following new proviso: ": *Provided further,* That Foreign Service Reserve officers appointed, or assigned pursuant to this paragraph shall receive in-class promotions in accordance with such regulations as the President may prescribe".

(3) In subsection (d), which relates to appointment of alien employees outside the United States, strike out ", at the request of the Director".

(e) Section 531, which relates to security clearance, is repealed.

(f) In section 534(a), which relates to reports, strike out "six months" in the first sentence and substitute "fiscal year".

(g) In section 537(a), which relates to provisions on uses of funds, amend paragraph (3) to read as follows: "(3) contracting with individuals for personal services abroad: *Provided,* That such individuals shall not be regarded as employees of the United States for the purpose of any law administered by the Civil Service Commission;".

(h) In section 537(c), which relates to construction

or acquisition of facilities abroad, strike out "$2,750,000" and substitute "$4,250,000".

CHAPTER V—TECHNICAL AMENDMENTS REFLECTING NEW LIMITS OF UNITED STATES

SEC. 501. The Mutual Security Act of 1954, as amended, is amended as follows:

(a) In section 205(c), strike out "continental" in the twelfth clause of the first sentence.

(b) In section 411(d), strike out "the continental limits of".

(c) In section 527(c), strike out "the continental limits of" in the introductory clause.

(d) In section 527(d), strike out "the continental limits of".

(e) In section 530(a), strike out "the continental limits of".

(f) In section 537(a), strike out "continental" in the last proviso of paragraph (5) and in paragraphs (13) and (17); and strike out "the continental limits of" in paragraph (10).

CHAPTER VI—AMENDMENTS TO OTHER LAWS

SEC. 601. Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1721 and the following), which relates to famine relief and other assistance, is amended as follows:

(a) In section 202, strike out "The" at the beginning thereof and substitute the following: "In order to facilitate the utilization of surplus agricultural commodities in meeting the requirements of needy peoples, and in order to promote economic development in underdeveloped areas in addition to that which can be accomplished under title I of this Act, the".

(b) In section 203, insert before the period at the end of the third sentence the following: ", and charges for general average contributions arising out of the ocean transport of commodities transferred pursuant hereto may be paid from such funds".

SEC. 602. Section 501(b) of the Mutual Security Act of 1959 (73 Stat. 256), which relates to international cooperation in health, is repealed.

SEC. 603. Section 2 of Public Law 174, Seventy-ninth Congress, as amended (22 U.S.C. 279a), which relates to United States membership in the United Nations Food and Agriculture Organization, is amended by inserting "such" before "sums" and striking out "not exceeding $3,000,000".

~~SEC. 604. Section 3(a) of Public Law 403, Eightieth Congress, as amended (22 U.S.C. 280b), which relates to United States membership in the South Pacific Commission, is amended by striking out "Not more than $75,000 annually" and substituting "Such sums annually as may be required".~~

That this Act may be cited as the "Mutual Security Act of 1960".

CHAPTER I—MILITARY ASSISTANCE

MILITARY ASSISTANCE

SEC. 101. Chapter I of the Mutual Security Act of 1954, as amended, which relates to military assistance, is amended as follows:

(a) In section 103, which relates to authorizations, insert the following new subsection (d):

"(d) The value of programs of equipment and materials for American Republics, pursuant to any authority contained in this chapter other than section 106, in any fiscal year beginning with the fiscal year 1961, shall not exceed $55,000,000. For the purposes of this subsection, the value of nonexcess equipment and materials shall be as defined in section 545(h) of this Act, and the value of excess equipment and materials (as excess is defined in section 545(h) of this Act) shall mean the acquisition cost to the Armed Forces of the United States of such equipment and materials."

(b) In section 105(b)(4), which relates to conditions applicable to military assistance, strike out the last sentence.

Chapter II—Economic Assistance

DEFENSE SUPPORT

Sec. 201. Title I of chapter II of the Mutual Security Act of 1954, as amended, which relates to defense support, is amended as follows:

(a) In section 131(b), which relates to general authority, strike out "1960" and "$751,000,000" and substitute "1961" and "$700,000,000", respectively.

(b) In section 141, which relates to conditions of eligibility for assistance, strike out "No such assistance" in the second sentence and substitute "No defense support or military equipment and materials".

(c) In section 142(a), which relates to agreements, strike out "No assistance" in the introductory clause and substitute "No defense support or military equipment and materials".

DEVELOPMENT LOAN FUND

Sec. 202. Title II of chapter II of the Mutual Security Act of 1954, as amended, which relates to the Development Loan Fund, is amended as follows:

(a) Amend section 201, which states the purposes of the Development Loan Fund, as follows:

(1) In the last sentence, after "to develop their economic

resources" insert "and free economic institutions", and after "to increase their productive capabilities" insert "in agriculture as well as in industry".

(2) At the end of the section, add the following new sentences: "The Congress recognizes that the accomplishment of the purposes of this title in rapidly developing countries requires the development of free economic institutions and the stimulation of private investment, local as well as foreign, in the field of housing. It is the sense of the Congress that, consistent with the other purposes of this title, special consideration should be given to loans and guarantees to stimulate activities in this field."

(b) In clause (3) of the first sentence of section 202 (b) insert "or free economic institutions" after "economic resources".

(c) In section 205(a), which relates to management, powers, and authorities, strike out "Under Secretary of State for Economic Affairs" in the first sentence and substitute "Secretary of State".

(d) Insert after section 206 the following new section 207:

"SEC. 207. HOUSING PROJECTS IN LATIN AMERICAN COUNTRIES.—It is the sense of the Congress that in order to stimulate private homeownership, encourage the development of free financial institutions, and assist in the development

of a stable economy, the authority conferred by this title should be utilized for the purpose of assisting in the development in the American Republics of self-liquidating pilot housing projects designed to provide experience in countries at various stages of economic development by participating with such countries in (1) providing capital for the establishment of, or for assistance in the establishment of, savings and loan type institutions in such countries; and (2) guaranteeing private United States capital available for investment in Latin American countries for the purposes set forth herein."

TECHNICAL COOPERATION

SEC. 203. Title III of chapter II of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is amended as follows:

(a) In section 304, which relates to authorization, strike out "$179,500,000" and "1960" and substitute "$172,000,000" and "1961", respectively.

(b) Amend section 306, which relates to multilateral technical cooperation and related programs, as follows:

(1) In subsection (a), which relates to contributions to the United Nations Expanded Program of Technical Assistance and related fund, strike out "$30,000,000" and "1960" and substitute "$33,000,000" and "1961", respectively.

(2) In subsection (b), which relates to contributions

to the technical cooperation program of the Organization of American States, strike out "1960" and substitute "1961".

(c) In section 307, which relates to advances and grants, insert "(a)" immediately after "SEC. 307. ADVANCES AND GRANTS; CONTRACTS.—", and at the end thereof add the following:

"(b) The President shall arrange for a nongovernmental research group, university, or foundation to study the advisability and practicability of a program, to be known as the Point Four Youth Corps, under which young United States citizens would be trained and serve abroad in programs of technical cooperation. Not to exceed $10,000 from funds made available pursuant to section 304 of this Act may be used to help defray the expenses of such a study."

SPECIAL ASSISTANCE AND OTHER PROGRAMS

SEC. 204. Title IV of chapter II of the Mutual Security Act of 1954, as amended, which relates to special assistance and other programs, is amended as follows:

(a) In section 400(a), which relates to special assistance, strike out "1960" and "$247,500,000" and substitute "1961" and "$260,000,000", respectively.

(b) In section 401, which relates to the United Nations Emergency Force, strike out "1960" in the second sentence and substitute "1961".

(c) In section 402, which relates to earmarking of

funds, strike out "1960" in the first sentence and substitute "1961".

(d) In section 403, which relates to responsibilities in Germany, strike out "1960" and "$7,500,000" in the first sentence and substitute "1961" and "$6,750,000", respectively.

(e) Insert after section 403 the following new section 404:

"SEC. 404. INDUS BASIN DEVELOPMENT.—The Congress of the United States welcomes the progress made through the good offices of the International Bank for Reconstruction and Development toward the development of the Indus Basin through a program of cooperation among south Asian and other nations of the free world in order to promote economic growth and political stability in south Asia, and affirms the willingness of the United States, pursuant to authorities contained in this and other Acts, to participate in this significant undertaking. In the event that funds appropriated pursuant to this Act are made available to be used by or under the supervision of the International Bank for Reconstruction and Development in furtherance of the foregoing purposes, such funds may be used in accordance with requirements, standards, or procedures established by the Bank concerning completion of plans and cost estimates and determination of feasibility,

rather than with requirements, standards, or procedures concerning such matters set forth in this or other Acts; and such funds may also be used without regard to the provisions of section 901(b) of the Merchant Marine Act of 1936, as amended (46 U.S.C. 1241), whenever the President determines that such provisions cannot be fully satisfied without seriously impeding or preventing accomplishment of such purposes.".

(f) Amend section 405, which relates to migrants, refugees, and escapees, as follows:

(1) In subsection (c), which relates to contributions to the program of the United Nations High Commissioner for Refugees, strike out "1960" and substitute "1961".

(2) In subsection (d), which relates to the continuation of activities undertaken for selected escapees, strike out "1960" and "$5,200,000" and substitute "1961" and "$3,500,000", respectively.

(g) In section 406, which relates to children's welfare, strike out "1960" and substitute "1961".

(h) In section 407, which relates to Palestine refugees in the Near East, strike out "1960" and "$25,000,000" in the first sentence and substitute "1961" and $22,000,000", respectively; strike out the proviso in the first sentence; and insert after the first sentence the following new sentences: "After January 1, 1961, United States contributions shall

not be used for programs of relief which heretofore have been administered on the basis of ration cards except for refugees whose need and eligibility for relief have been certified after July 1, 1960. The provisions of section 548, which relate to the availability of unexpended balances, shall not be applicable to unobligated balances of any funds heretofore or hereafter appropriated pursuant to this section. The President shall include in his recommendations to the Congress for fiscal year 1962 programs under this Act specific recommendations with respect to a program for the progressive repatriation and resettlement of refugees and for reducing United States contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East."

(i) Section 409, which relates to ocean freight charges, is amended as follows:

(1) In subsection (a), after "such nations and areas" insert ", or, in the case of such nations and areas which are landlocked, transportation charges from the United States ports to designated points of entry in such nations and areas, ".

(2) In subsection (c), strike out "1960" and "$2,300,000" and substitute "1961" and "$2,000,000", respectively.

(j) Amend section 411, which relates to administrative and other expenses, as follows:

(1) In subsection (b), which relates to certain expenses

of administering nonmilitary assistance, strike out "1960" and "$39,500,000" and substitute "1961" and "$40,000,000", respectively.

(2) In subsection (c), which relates to administrative and other expenses of the Department of State, strike out "to" after "appropriated" and substitute "for expenses of".

(k) In section 419(a), which relates to atoms for peace, strike out "1960" and "$6,500,000" and substitute "1961" and "$3,400,000", respectively.

CHAPTER III—CONTINGENCY FUND

SEC. 301. Section 451(b) of the Mutual Security Act of 1954, as amended, which relates to the President's special authority and contingency fund, is amended by striking out "1960" and "$155,000,000" in the first sentence and substituting "1961" and "$175,000,000", respectively.

CHAPTER IV—GENERAL AND ADMINISTRATIVE PROVISIONS

SEC. 401. Chapter IV of the Mutual Security Act of 1954, as amended, which relates to general and administrative provisions, is amended as follows:

(a) Section 502, which relates to use of foreign currency, is amended by adding the following new subsection:

"(c) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, if the President finds that participation by the United States

in an internationally financed program to preserve the great cultural monuments of the Upper Nile would promote the foreign policy of the United States he may, subject to the approval of the Congress, use or enter into agreements with friendly nations or organizations of nations to use, for this purpose, foreign currencies owned by the United States which have been generated under this Act or under the Agricultural Trade Development and Assistance Act of 1954, as amended, in the countries in which the program is to be carried out, but the value of foreign currencies so used shall not exceed an amount equal to 33⅓ per centum of the total cost of such program."

(b) Section 504(d), which relates to small machine tools and other industrial equipment, is repealed.

(c) In section 505(a), which relates to loan assistance and sales, insert after the first sentence the following new sentence: "Commodities, equipment, and materials transferred to the United States as repayment may be used for assistance authorized by this Act, other than title II of chapter II, in accordance with the provisions of this Act applicable to the furnishing of such assistance.".

(d) In section 513, which relates to notice to legislative committees, insert before ", and copies" in the last sen-

tence the following: "and under the last clause of the second sentence of section 404".

(e) Amend section 523, which relates to coordination with foreign policy, by adding the following new subsection:

"(d) Whenever the Chief of the United States diplomatic mission in a country determines that the achievement of United States foreign policy objectives there requires it, he may issue regulations applicable to officers and employees of the United States Government and to contractors with the United States Government governing the extent to which their pay and allowances received and to be used in that country shall be paid in local currency. Notwithstanding any other law, United States Government agencies are authorized and directed to comply with such regulations."

(f) Amend section 527, which relates to employment of personnel, as follows:

(1) In subsection (b), which relates to employment of personnel in the United States, strike out "seventy" and "forty-five" in the first sentence and substitute "seventy-six" and "fifty-one", respectively.

(2) In subsection (c), which relates to employment of personnel outside the United States, strike out "Director" in the introductory clause and substitute "President"; and

insert before the period at the end of paragraph (2) the following new proviso: ": Provided further, That Foreign Service Reserve officers appointed, or assigned pursuant to this paragraph shall receive in-class promotions in accordance with such regulations as the President may prescribe".

(3) In subsection (d), which relates to appointment of alien employees outside the United States, strike out ", at the request of the Director".

(g) In section 534(a), which relates to reports, strike out "six months" in the first sentence and substitute "fiscal year".

(h) In section 537(a), which relates to provisions on uses of funds, amend paragraph (3) to read as follows: "(3) contracting with individuals for personal services abroad: Provided, That such individuals shall not be regarded as employees of the United States for the purpose of any law administered by the Civil Service Commission;".

(i) In section 537(c), which relates to construction or acquisition of facilities abroad, strike out "$2,750,000" and substitute "$4,250,000".

Chapter V—Technical Amendments Reflecting New Limits of United States

Sec. 501. The Mutual Security Act of 1954, as amended, is amended as follows:

(a) In section 205(c), strike out "continental" in the twelfth clause of the first sentence.

(b) In section 411(d), strike out "the continental limits of".

(c) In section 527(c), strike out "the continental limits of" in the introductory clause.

(d) In section 527(d), strike out "the continental limits of".

(e) In section 530(a), strike out "the continental limits of".

(f) In section 537(a), strike out "continental" in the last proviso of paragraph (5) and in paragraphs (13) and (17); and strike out "the continental limits of" in paragraph (10).

Chapter VI—Amendments to Other Laws

Sec. 601. The Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691 and the following) is amended as follows:

(a) In section 104, which relates to use of foreign currencies, strike out all following "Acts" where it first appears in the last proviso and insert a period.

(b) In section 202, which relates to transfers of surplus agricultural commodities on a grant basis, strike out "The" at the beginning thereof and substitute the following: "In order

to facilitate the utilization of surplus agricultural commodities in meeting the requirements of needy peoples, and in order to promote economic development in underdeveloped areas in addition to that which can be accomplished under title I of this Act, the".

(c) In section 203, which relates to delivery of relief supplies, after the words "designated ports of entry abroad" insert ", or, in the case of landlocked countries, transportation from United States ports to designated points of entry abroad,".

SEC. 602. Section 501(b) of the Mutual Security Act of 1959 (73 Stat. 256), which relates to international cooperation in health, is repealed.

SEC. 603. Section 2 of Public Law 174, Seventy-ninth Congress, as amended (22 U.S.C. 279a), which relates to United States membership in the United Nations Food and Agriculture Organization, is amended by inserting "such" before "sums" and striking out "not exceeding $3,000,000".

SEC. 604. Section 3(a) of Public Law 403, Eightieth Congress, as amended (22 U.S.C. 280b), which relates to United States membership in the South Pacific Commission, is amended by striking out "$75,000" and substituting "$100,000".

SEC. 605. Title II of the United States Information and Educational Exchange Act of 1948, as amended (22

U.S.C. 1431), which relates to interchange of persons, knowledge, and skills, is amended by adding the following:

"ASSISTANCE TO STUDENTS FROM OTHER COUNTRIES

"SEC. 204. (a) With respect to students from other countries attending colleges or universities in the United States, under the provisions of this Act or under any other government, institution, or individual program which furthers the purposes of this Act, the Secretary is authorized to provide for counseling, orientation, supplementary English language training, and such other assistance as will help them to have a fruitful experience here consistent with the objectives of section 2.

"(b) Grants which are made to colleges and universities under this section shall be made in the discretion of the Secretary on the basis of specific programs submitted to him.

"(c) Institutions receiving such grants shall be obliged to contribute an equal amount to such program. No grant to an institution shall exceed $100 per foreign student enrolled in the institution during the period of the grant. No part of such grant shall be payable to a foreign student. The total amount of such grants shall not exceed $1,000,000 in any fiscal year."

SEC. 606. The President shall have a study made of the functions of, and the degree of coordination among, agencies engaged in foreign economic activities, including the

Department of State, the International Cooperation Administration, the Development Loan Fund, the Export-Import Bank, and the Department of Agriculture, with a view to simplifying and rationalizing the formulation and implementation of United States foreign economic policies. The President shall include in his presentation to the Congress of the fiscal year 1962 mutual security program his findings and recommendations resulting from such study.

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

[Report No. 1286]

A BILL

To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

By Mr. FULBRIGHT

FEBRUARY 18 (legislative day, FEBRUARY 15), 1960
Read twice and referred to the Committee on Foreign Relations

APRIL 22, 1960
Reported with an amendment

Calendar No. 1322

H. R. 11510

S. 3058

A BILL

Calendar No. 1322

86TH CONGRESS
2D SESSION

H. R. 11510

IN THE SENATE OF THE UNITED STATES

APRIL 25, 1960

Received; read twice and ordered to be placed on the calendar

AN ACT

To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Security Act of 1960".

STATEMENT OF POLICY

SEC. 2. Section 2 of the Mutual Security Act of 1954, as amended, which is a statement of policy, is further amended by adding at the end thereof the following:

"(f) It is the sense of the Congress that inasmuch as—

"(1) the United States favors freedom of navigation

in international waterways and economic cooperation between nations; and

"(2) the purposes of this Act are negated and the peace of the world is endangered when nations which receive assistance under this Act wage economic warfare against other nations assisted under this Act, including such procedures as boycotts, blockades, and the restriction of the use of international waterways;

assistance under this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be administered to give effect to these principles, and, in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this Act or arising under the Agricultural Trade Development and Assistance Act of 1954, as amended, these principles shall be applied, as the President may determine, and he shall report on measures taken by the administration to insure their application."

Chapter I—Military Assistance

MILITARY ASSISTANCE

SEC. 101. Section 105(b)(4) of the Mutual Security Act of 1954, as amended, which relates to conditions applicable to military assistance, is amended by striking out "1960" and inserting "1961" and striking out "1959" and inserting "1960".

CHAPTER II—ECONOMIC ASSISTANCE

DEFENSE SUPPORT

SEC. 201. Title I of chapter II of the Mutual Security Act of 1954, as amended, which relates to defense support, is amended as follows:

(a) In the first sentence of section 131 (a), which relates to the authority of the President to furnish defense support, insert immediately before the period at the end thereof the following proviso: ": *Provided*, That all documents, papers, communications, audits, reviews, findings, recommendations, reports, and other material which relate to operations or activities under this title are furnished to the General Accounting Office and to any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation, appropriations, or expenditures under this title, upon request of the General Accounting Office or such committee or subcommittee as the case may be".

(b) In section 131 (b), which relates to general authority, strike out "1960" and "$751,000,000" and substitute "1961" and "$675,000,000", respectively.

(c) In section 141, which relates to conditions of eligibility for assistance, strike out "No such assistance" in the second sentence and substitute "No defense support or military equipment and materials".

(d) In section 142(a), which relates to agreements, strike out "No assistance" in the introductory clause and substitute "No defense support or military equipment and materials".

DEVELOPMENT LOAN FUND

SEC. 202. (a) Section 202 of the Mutual Security Act of 1954, as amended, which relates to general powers of the Development Loan Fund, is amended by adding at the end thereof the following:

"(c) The Fund shall not allocate, reserve, earmark, commit, or otherwise set aside, funds aggregating in excess of $50,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country which is supported by sufficient engineering, financial, or other data to indicate reasonably (A) the manner in which it is proposed to use such funds, (B) the economic and technical soundness of such use, and (C) the practicability of such use, or (2) the President personally determines with respect to each such allocation, reservation, earmarking, commitment, or set-aside that it is in the national interest to use such funds pursuant to multilateral plans."

(b) Section 205(a) of the Mutual Security Act of

1954, as amended, which relates to management, powers and authorities, is amended by striking out "Under Secretary of State for Economic Affairs" in the first sentence and substituting "Secretary of State".

TECHNICAL COOPERATION

SEC. 203. Title III of chapter II of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is amended as follows:

(a) In section 304, which relates to authorization, strike out "$179,500,000" and "1960" and substitute "$172,000,000" and "1961", respectively.

(b) Amend section 306, which relates to multilateral technical cooperation and related programs, as follows:

(1) In subsection (a), which relates to contributions to the United Nations Expanded Program of Technical Assistance and related fund, strike out "$30,000,000" and "1960" and substitute "$33,000,000" and "1961", respectively.

(2) In subsection (b), which relates to contributions to the technical cooperation program of the Organization of American States, strike out "1960" and substitute "1961".

(c) Repeal section 308, which relates to the International Development Advisory Board.

SPECIAL ASSISTANCE AND OTHER PROGRAMS

SEC. 204. Title IV of chapter II of the Mutual Security Act of 1954, as amended, which relates to special assistance and other programs, is amended as follows:

(a) In section 400(a), which relates to special assistance, strike out "1960" and "$247,500,000" and substitute "1961" and "$256,000,000", respectively, and add at the end thereof the following: "It is the sense of the Congress that no part of the funds appropriated pursuant to this section should be used for the purchase of armaments by any nation in the Near East."

(b) In section 401, which relates to the United Nations Emergency Force, strike out "1960" in the second sentence and substitute "1961".

(c) In section 402, which relates to earmarking of funds, strike out "1960" in the first sentence and substitute "1961".

(d) In section 403, which relates to responsibilities in Germany, strike out "1960" and "$7,500,000" in the first sentence and substitute "1961" and "$6,750,000", respectively.

(e) Insert after section 403 the following new section 404:

"SEC. 404. INDUS BASIN DEVELOPMENT.—The Congress of the United States welcomes the progress made

through the good offices of the International Bank for Reconstruction and Development toward the development of the Indus Basin through a program of cooperation among South Asian and other nations of the free world in order to promote economic growth and political stability in South Asia, and affirms the willingness of the United States, pursuant to authorities contained in this and other Acts, to participate in this significant undertaking. In the event that funds appropriated pursuant to this Act are made available to be used by or under the supervision of the International Bank for Reconstruction and Development in furtherance of the foregoing purposes, such funds may be used in accordance with requirements, standards, or procedures established by the Bank concerning completion of plans and cost estimates and determination of feasibility, rather than with requirements, standards, or procedures concerning such matters set forth in this or other Acts; and such funds may also be used without regard to the provisions of section 901 (b) of the Merchant Marine Act of 1936, as amended (46 U.S.C. 1241), whenever the President determines that such provisions cannot be fully satisfied without seriously impeding or preventing accomplishment of such purposes: *Provided,* That compensating allowances are made in the administration of other programs to the same area to which the requirements of said section 901 (b) are applicable.".

(f) Amend section 405, which relates to migrants, refugees, and escapees, as follows:

(1) In subsection (c), which relates to contributions to the program of the United Nations High Commissioner for Refugees, strike out "1960" and "$1,100,000" and substitute "1961" and "$1,500,000", respectively.

(2) In subsection (d), which relates to the continuation of activities undertaken for selected escapees, strike out "1960" and "$5,200,000" and substitute "1961" and "$3,500,000", respectively.

(g) In section 406, which relates to children's welfare, strike out "1960" and substitute "1961".

(h) In section 407, which relates to Palestine refugees in the Near East, strike out "1960" and "$25,000,000" in the first sentence and substitute "1961" and "$18,500,000", respectively; and strike out the proviso in the first sentence.

(i) In section 409(c), which relates to ocean freight charges, strike out "1960" and "$2,300,000" and substitute "1961" and "$2,000,000", respectively.

(j) Amend section 411, which relates to administrative and other expenses, as follows:

(1) In subsection (b), which relates to certain expenses of administering nonmilitary assistance, strike out "1960" and "$39,500,000" and substitute "1961" and "$40,000,000", respectively.

(2) In subsection (c), which relates to administrative and other expenses of the Department of State, strike out "to" after "appropriated" and substitute "for expenses of".

(k) Section 412, which relates to the President's special education and training fund, is repealed.

(l) In section 419(a), which relates to atoms for peace, strike out "1960" and "$6,500,000" and substitute "1961" and "$3,400,000", respectively.

(m) Add the following new section after section 420:

"SEC. 421. LOANS TO SMALL FARMERS.—It is the policy of the United States and the purpose of this section to strengthen the economies of underdeveloped nations, and in nations where the economy is essentially rural or based on small villages, to provide assistance designed to improve agricultural methods and techniques, to stimulate and encourage the development of local programs of self-help and mutual cooperation, particularly through loans of foreign currencies to associations of operators of small farms, formed for the purpose of joint action designed to increase or diversify agricultural productivity. The maximum unpaid balance of loans made to any association under this section may not exceed $25,000 at any one time; and the aggregate unpaid balance of all loans made under this section may not exceed $10,000,000 at any one time."

CHAPTER III—CONTINGENCY FUND

SEC. 301. Section 451 (b) of the Mutual Security Act of 1954, as amended, which relates to the President's special authority and contingency fund, is amended by striking out "1960" and "$155,000,000" in the first sentence and substituting "1961" and "$100,000,000", respectively.

CHAPTER IV—GENERAL AND ADMINISTRATIVE PROVISIONS

SEC. 401. Chapter IV of the Mutual Security Act of 1954, as amended, which relates to general and administrative provisions, is amended as follows:

(a) Section 504 (d), which relates to small machine tools and other industrial equipment, is repealed.

(b) In section 505 (a), which relates to loan assistance and sales, insert after the first sentence the following new sentence: "Commodities, equipment, and materials transferred to the United States as repayment may be used for assistance authorized by this Act, other than title II of chapter II, in accordance with the provisions of this Act applicable to the furnishing of such assistance.".

(c) In section 513, which relates to notice to legislative committees, insert before ", and copies" in the last sentence the following: "and under the last clause of the second sentence of section 404".

(d) Amend section 517, which relates to completion of plans and cost estimates, as follows:

(1) Insert "(a)" immediately after "SEC. 517. COMPLETION OF PLANS AND COST ESTIMATES.—".

(2) Add the following at the end of such section:

"(b) All nonmiltary flood control, reclamation and other water and related land resource programs or projects proposed for construction under titles I, II, or III (except section 306) of chapter II, under section 400, or under section 451 of this Act, shall be examined by qualified engineers, financed under this Act, in accordance with the general procedures prescribed in circular A–47 of the Bureau of the Budget, dated December 31, 1952, for flood control, reclamation and other water and related land resource programs and projects proposed for construction within the continental limits of the United States of America. In all cases the benefits and costs shall be determined, and a copy of the determination shall be submitted to the Speaker of the House of Representatives and the Foreign Relations Committee and the Appropriations Committee of the Senate. No such program or project shall be undertaken on which the benefits do not exceed the costs and which does not otherwise meet the standards and criteria used in determining the feasibility of flood control, reclamation, and other water and

related land resource programs and projects proposed for construction within the continental limits of the United States of America as per circular A–47 of the Bureau of the Budget, dated December 31, 1952."

(e) Amend section 527, which relates to employment of personnel, as follows:

(1) In subsection (b), which relates to employment of personnel in the United States, strike out "seventy" in the first sentence and substitute "seventy-four".

(2) In subsection (c), which relates to employment of personnel outside the United States, strike out "Director" in the introductory clause and substitute "President"; and insert before the period at the end of paragraph (2) the following new proviso: ": *Provided further*, That Foreign Service Reserve Officers appointed or assigned pursuant to this paragraph shall receive in-class promotions in accordance with such regulations as the President may prescribe".

(3) In subsection (d), which relates to appointment of alien employees outside the United States, strike out ", at the request of the Director,".

(f) Section 531, which relates to security clearance, is amended to read as follows:

"SEC. 531. SECURITY CLEARANCE.—The standards and procedures set forth in Executive Order Numbered 10450, as amended or supplemented, shall apply to the employment

under this Act by any agency administering nonmilitary assistance of any citizen or resident of the United States."

(g) In subsection (c) of section 533A, relating to the Inspector General and Comptroller, strike out paragraph (9) and renumber paragraphs (10) and (11) as paragraphs (9) and (10), respectively.

(h) In section 534(a), which relates to reports, strike out "six months" in the first sentence and substitute "fiscal year".

(i) In section 537(a), which relates to provisions on uses of funds, amend paragraph (3) to read as follows: "(3) contracting with individuals for personal services abroad: *Provided,* That such individuals shall not be regarded as employees of the United States for the purpose of any law administered by the Civil Service Commission;".

(j) In section 537(c), which relates to construction or acquisition of facilities abroad, strike out "$2,750,000" and substitute "$4,250,000".

(k) Add the following new section immediately after section 551:

"SEC. 552. ASSISTANCE TO CUBA.—No assistance shall be furnished under this Act to Cuba after the date of enactment of the Mutual Security Act of 1960 unless the President determines that such assistance is in the national and hemispheric interest of the United States."

CHAPTER V—TECHNICAL AMENDMENTS REFLECTING NEW LIMITS OF UNITED STATES

SEC. 501. The Mutual Security Act of 1954, as amended, is amended as follows:

(a) In section 205(c), strike out "continental" in the twelfth clause of the first sentence.

(b) In section 411(d), strike out "the continental limits of".

(c) In section 527(c), strike out "the continental limits of" in the introductory clause.

(d) In section 527(d), strike out "the continental limits of".

(e) In section 530(a), strike out "the continental limits of".

(f) In section 537(a), strike out "continental" in the last proviso of paragraph (5) and in paragraphs (13) and (17); and strike out "the continental limits of" in paragraph (10).

CHAPTER VI—AMENDMENTS TO OTHER LAWS

SEC. 601. Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1721 and the following), which relates to famine relief and other assistance, is amended as follows:

(a) In section 202, strike out "The" at the beginning thereof and substitute the following: "In order to facilitate

the utilization of surplus agricultural commodities in meeting the requirements of needy peoples, and in order to promote economic development in underdeveloped areas in addition to that which can be accomplished under title I of this Act, the".

(b) In section 203, insert before the period at the end of the third sentence the following: ", and charges for general average contributions arising out of the ocean transport of commodities transferred pursuant hereto may be paid from such funds".

SEC. 602. Section 501 (b) of the Mutual Security Act of 1959 (73 Stat. 256), which relates to international cooperation in health, is repealed.

Passed the House of Representatives April 21, 1960.

Attest: RALPH R. ROBERTS,

Secretary.

Calendar No. 1322

86TH CONGRESS
2D SESSION

H. R. 11510

AN ACT

To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

APRIL 25, 1960

Received; read twice and ordered to be placed on the calendar

H. R. 11510

AN ACT

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For Department Staff Only)

Issued April 27, 1960
For actions of April 26, 1960
86th-2d, No. 75

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HIGHLIGHTS: House received USDA proposed bill to amend Public Law 480.

HOUSE

1. SURPLUS COMMODITIES; FOREIGN AID. Received from this Department a proposed bill to amend Public Law 480 so as to permit grants of surplus food to foreign countries for the establishment of national food reserves, to authorize greater use of commodities for foreign economic development purposes, to permit payment of general average claims arising from the ocean transport of commodities for famine relief and other emergency assistance, and to provide for the transfer of foreign currencies to the International Development Association; to Agriculture Committee. p. 8059

2. FARM CREDIT. The Conservation and Credit Subcommittee of the Agriculture Committee voted to report H. R. 10310, to amend the Farm Credit Act of 1933 so as to provide for increased representation by regional banks for cooperatives on the Board of Directors of the Central Bank for Cooperatives. p. D340

3. URBAN AFFAIRS. Rep. Younger urged the Government Operations Committee to take action on the various bills to create a Department of Urban Affairs. p. 8053

4. PERSONNEL. Received from the Chairman, U. S. Civil Service Commission, a draft of proposed legislation "to amend section 7 of the Administrative Expenses Act of 1946, as amended, to provide for the payment of travel and transportation cost for persons selected for appointment to certain positions in the U. S."; to Government Operations Committee. p. 8059

SENATE

5. MUTUAL SECURITY. As reported by the Foreign Relations Committee (see Digest 74), S. 3058, the mutual security authorization bill for 1961, contains the following provisions: Amends the description of the Development Loan Fund's purposes and criteria for loans to "give more emphasis to the use of the Fund ... to aid agriculture and housing." Authorizes $172,000,000 for bilateral technical cooperation programs. Authorizes $1,500,000 for the technical cooperation program of the Organization of American States, which supports, among other things, technical education for the improvement of agriculture and rural life, and the American Rural Normal School for training rural school teachers. Directs the President to arrange for a study to determine the advisability and practicability of establishing a Point 4 Youth Corps for training young U. S. citizens and sending them abroad in technical cooperation programs. Authorizes $260,000,000 for special assistance which may take the form of cash grants, of commodity imports, or of assistance to specific economic projects. Extends to the fiscal year 1961 the requirement that at least $175,000,000 of mutual security funds (other than DLF) be used to finance the export of surplus agricultural commodities. Authorizes the use of mutual security funds for development of the Indus basin under the supervision of the IBRD (this plan "will result in the largest irrigation system in the world"). Authorizes $2,000,000 to defray the cost of ocean freight for relief supplies sent to needy persons abroad by approved U. S. voluntary nonprofit agencies. Authorizes use of funds accrued under the Mutual Security Act or Public Law 480 for expenditure "in an internationally financed program to preserve the great cultural monuments of the upper Nile," which would be flooded by construction of the Aswan Dam. Amends the section relating to the use of barter proceeds to place less restriction on transactions. Authorizes the ambassadors "to regulate the extent to which officers and employees of Government agencies and contractors abroad may receive their pay and allowances abroad in dollars or in local currency." Amends Public Law 480, "so that foreign currencies could be used for health and education programs related to economic development without appropriation," to "make it possible to furnish surplus agricultural commodities, on a grant basis, for the purposes of economic development in underdeveloped countries where famine or other emergency situations do not exist," and to "authorize payment of overland freight charges on relief shipments to landlocked countries." Repeals the absolute limitation of $3,000,000 on U. S. annual contributions to the Food and Agriculture Organization, but leaves the 33-1/3 of total contributions limitation, and directs the President to "have a study made of the functions of, and the degree of coordination among, agencies engaged in foreign economic activities, including ... the USDA, with a view to simplifying and rationalizing the formulation and implementation of U. S. foreign economic policies."

ITEMS IN APPENDIX

6. FARM PROGRAM. Rep. Rees inserted a newspaper editorial, "Grassroots Editors See 1960 as a Good Farm Year," stating that a consensus of leading farm editors in the U. S. "discloses general optimism and favorable prospects for a good farm income," and contending that "the farmer is far better off than some of us, and suffers little by comparison with anyone." pp. A3543-4

7. FORESTRY; RESEARCH. Rep. Wolf inserted two resolutions adopted by the Mississippi Valley section, Society of American Foresters, favoring enactment of legislation to provide that the national forests shall be managed under

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For Department Staff Only)

Issued April 28, 1960
For actions of April 27, 1960
86th-2d, No. 76

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HIGHLIGHTS: House received conference report on Commerce appropriation bill. Rep. Byrnes introduced and discussed bill to extend and expand conservation reserve program. Senate committee voted to report wheat bill. Senate debated mutual security authorization bill. Rep. Johnson, Wis., urged enactment of national milk sanitation bill.

SENATE

1. WHEAT. The Agriculture and Forestry Committee voted to report (but did not actually report) with amendments S. 2759, the Ellender wheat bill. The "Daily Digest" states that as "approved by the committee, the bill would provide 80 percent of price support for wheat for the 1961, 1962, 1963 crops, with 20-percent reduction in acreage allotments, and such acreage to be put to soil- and water-conserving uses, with payments in kind made for such practices." p. D344

2. LAMB IMPORTS. The Agriculture and Forestry Committee "adopted a committee resolution to be directed to the U. S. Tariff Commission, urging action under the "escape clause" of the Reciprocal Trade Agreements Act relative to imports of dressed lamb and mutton." p. D344

3. MUTUAL SECURITY. Began debate on S. 3058, the mutual security authorization bill (pp. 8098-8100, 8117-29). Agreed, 68 to 0, to an amendment by Sen. Williams, Del., to require that expenditures of foreign currencies and appropriated funds under the bill by members of committees and staffs of committees

be itemized and submitted to Congress for publication in the Congressional Record (pp. 8123-9). Pending at adjournment was a proposed amendment by Sen. Douglas, for himself and others, to express the sense of Congress that the United States favors freedom of navigation in international waterways and economic cooperation between nations, and that assistance under the Mutual Security Act and Public Law 480 shall be administered to give effect to these principles (p. 8129).

4. FARM LABOR. Sen. McCarthy expressed concern over the condition of migratory farm workers, stated that they "represent the most neglected and underprivileged group in American society," and inserted a newspaper article which he stated presented "a realistic summary of their problems and suggested some of the measures needed to improve their condition." pp. 8106-7

Sen. Moss inserted a magazine article stating that the current trend is for big industry to move to small towns, and stating that "in some rural areas, new industries are giving employment to people who used to make their living from farming." pp. 8076-7

5. FEDERAL SUBSIDIES. Sen. Murray inserted a newspaper editorial, "Who Gets Government Subsidies?", and stated that the editorial "points out in a clear, succinct manner how we are all sharing in Government subsidies daily and that the matter of Government subsidies -- contrary to a popular belief -- is not limited to the farmers of the Nation." pp. 8080-1

6. SOIL CONSERVATION. Sens. Ellender, Cooper, Murray, Young, N. Dak., and Humphrey paid tribute to the Soil Conservation Service on its 25th anniversary "for the admirable job it has done during the first quarter-century of its existence." pp. 8087-90

7. APPROPRIATIONS; ITEM VETO. Sen. Williams, Del., inserted and commended an article by Sen. Keating urging the enactment of legislation to give the President authority to veto specific items in appropriation bills. pp. 8129-30

8. SURPLUS COMMODITIES; FOREIGN AID. Received from this Department a proposed bill to amend Public Law 480 so as to permit grants of surplus food to foreign countries for the establishment of national food reserves, to authorize greater use of commodities for foreign economic development purposes, to permit payment of general average claims arising from the ocean transport of commodities for famine relief and other emergency assistance, and to provide for the transfer of foreign currencies to the International Development Association; to Agriculture and Forestry Committee. p. 8061

9. PERSONNEL. The Post Office and Civil Service Committee reported with amendment H. R. 8289, to accelerate the commencing date of civil service retirement annuities for certain employees (S. Rept. 1295). p. 8062

Received from the Civil Service Commission a proposed bill "to provide for the payment of travel and transportation costs for persons selected for appointment to certain positions in the United States"; to Government Operations Committee. p. 8062

10. SMALL BUSINESS. Sen. Williams, N. J., submitted a report of the Small Business Committee, "Small Business Investment Act - 1960" (S. Rept. 1293). p. 8062

11. SUGAR. Sen. Goldwater submitted an amendment he intends to propose to S. 3210, to extend the Sugar Act of 1948. p. 8065

in title I mines. In fact, he conceded that the Federal figures were, at best, no better than 80 percent correct.

Frankly, from my observations there are vast differences in conditions and types of operations as between title I and title II mines; and these differences must be taken into account in making any comparison of records. We have no objection to the enactment of legislation which will provide for proper and adequate development of these facts by the Bureau of Mines, under Senate bill 1562, or by an independent commission, under Senate bill 2403, as the Interior Department proposes.

But I submit that the putting of small coal mines out of business by making an extension to them of complex Federal law and regulations can not be justified. It certainly can not be justified by the kind of facts and figures produced to date by the Bureau of Mines.

Mr. President, the pending bill has now been improved to some extent by means of the adoption of an amendment which was submitted by the Senator from Kentucky [Mr. COOPER]; and I am a cosponsor of the amendment. The amendment is on page 2, in line 3, and it reads as follows:

> The Director (of the Bureau of Mines) may, by regulation, establish, after reasonable notice and opportunity for hearing to interested parties, modify or make inapplicable any provision, or part thereof, of section 209 (of the Federal mine safety law) which he finds, after hearings, do not substantially contribute to the safety of men working in small mines.

This provision is broad and far reaching. It would give the Director of the Bureau of Mines the power to decide whether an act of Congress should be applied. It would be applied solely at his discretion.

It could develop that one Director would determine that the law should be applied, and the next Director should hold that it should not be applied. The confusion would be insufferable.

This amendment simply changes the word "may" to the word "shall." That change will result in some improvement of this bill. The amendment would make it mandatory for the Director of the Bureau of Mines to modify or make inapplicable any provisions of the Federal mine safety law found to be unnecessary for small mines.

However, the President, even with this amendment added to the bill, I am opposed to the pending bill.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. JOHNSON of Texas. Mr. President, today the Senate is taking a historic step to further protect the lives of the miners who toil underground in our coal mines.

In passing this bill we know that the same protection which is now granted to men working in large mines will be extended to those working in mines employing 14 or fewer miners.

We hope that disasters such as those which happened in Maryland on April 11 and in Kentucky on the same day at almost the same hour will be prevented. In these disasters three men in each mine lost their lives because of a roof fall or cave-in. This may seem to be a small number of men, but it is all that were working in each mine. If there had been 25 or 50 men, they would all have been killed.

The bill now pending not only extends the protection of Federal safety inspection to small mines, but it also provides for easier appeals from the rulings of Federal inspectors by small mine operators to the appropriate administrative agency, and it specifically provides that employers operating small mines may have the Federal Coal Mine Safety Board of Review come to the immediate area where the mine is being operated and hold a hearing on an appeal in the county seat of the county in which the mine is located. Thus, the operator of a small mine will not be forced into an expensive procedure which would require him to go to Washington to present his case.

I repeat, Mr. President, that, in my opinion, the Senate is taking important action to protect the lives of coal miners in approving S. 743.

I express my appreciation to the author of the bill, the Senator from Pennsylvania [Mr. CLARK], and every Senator who supported it, and particularly the able occupant of the chair, the Senator from West Virginia [Mr. BYRD], and the senior Senator from West Virginia [Mr. RANDOLPH], for the contributions they have made in this debate. They have talked to me a number of times about the desirability for this type of legislation, and it is on their recommendation that the measure is before the Senate.

Mr. President, I ask that the yeas and nays be ordered on the passage of the bill.

The yeas and nays were ordered.

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement by my colleague [Mr. MORTON], who is unavoidably absent on official business.

My colleague has been very much interested in this legislation. He has been much concerned lest Senate bill 743, as originally introduced, might put many small mines out of business and throw out of employment many miners in such mines. My colleague has worked hard to obtain the amendments now in the bill, which, while insuring safety to miners, give greater protection to the small mines.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MORTON

I know of no group of men more deserving of our respect and admiration than the coal miners of our Nation. Theirs is the unspectacular task of extracting from the earth a valuable energy resource of incalculable benefit to our national economy.

Coal mining is usually done under conditions of extreme hazard which constantly subject the miners to a high degree of personal risk. The industry has clearly recognized this hazard, and in order to secure the safety of its employees has done everything possible to maintain the safest possible working conditions.

This safety-minded and safety-conscious industry is constantly striving to reduce all accidents, whether fatal or nonfatal, through aggressive programs of education, promotion, demonstration and enforcement. The miners certainly are entitled to personal security from harm, and I certainly would be the last person to oppose any legislation which the miners themselves felt would give them a greater measure of protection from death or personal injury.

I think that the experience of recent years, in our study of the situation brought to focus by S. 743 of the 86th Congress and identical legislation during the 85th Congress, has demonstrated that mine safety is not a clear-cut issue. One would assume that since it involves mine safety that all miners would rally around the cause. This has not been the case.

When Congress enacted legislation during the 82d Congress as a basis to prevent coal mine disasters, mines employing 14 or fewer employees underground were exempt from the mandatory compliance provisions of the law. The mining industry usually refers to these operations as title I mines, and to those with 15 or more employees as title II.

The original intent of S. 743 simply repealed the title I exemption, but the Committee on Labor and Public Welfare, I feel, acted wisely and prudently in amending the bill in the form reported to the Senate. Although the exemption repealer is still in the bill, the provisions for appeal from an inspectors finding prior to closing down a mine have minimized the fears of the title I operators.

I would also like to commend the Senator from Pennsylvania [Mr. CLARK] for the understanding he has displayed of our problem and for his accepting our amendment concerning modification or nullification of section 209 provisions not applicable to improving safety conditions in the small mines.

Although the bill is now much more palatable to the small mine operators and their employees, they still firmly contend that S. 743 will not contribute materially to their safety. They see only one purpose in S. 743, and that is to force them out of business.

The issue of mine safety from the legislative point of view is not a simple one. It is, to the contrary, complex and controversial, and I would like to emphasize to my colleagues that S. 743 draws its major support from those who do not need it and is vigorously opposed by those it allegedly would help.

The national coal wage agreement between the United Mine Workers of America and signatory operators provides for the enforcement of safety regulations far more stringent than the Federal Coal Mine Safety Act. The union-company contracts incorporate the entire Federal Coal Mine Safety Code, which includes all of the provisions of the Federal law and many more.

The safety provisions are enforceable on all unionized mines, whether title I or title II, and it must logically follow that enactment of S. 743 will in no way whatsoever increase the safety security of miners working in these mines. Yet, the United Mine Workers union is the most vocal of all groups supporting the Clark bill. While I agree with the UMW that our miners should have the safest possible working conditions, I cannot believe that its intentions are motivated strictly by paternalistic sympathy for thousands of miners it does not control.

There is undivided sentiment among the small mine operators that mine safety legislation is nothing more than an economic club to pound them out of existence. I have heard this assertion time and time again from gentleman of intelligence and integrity whose entire lives have been spent mining coal, and I respect their judgment and opinions. I had hoped that before considering any legislation in this area and in view of the conflict that we might have had the benefit of a thorough investigation of the safety and

economic factors before undertaking any changes in the present law.

The coal mining industry has undergone quite an upheaval during the past 15 years, and the complicated situation in which we find ourselves today stems directly from that upheaval. In order to adjust itself, strictly as a matter of survival, to the loss of markets and to remain competitive in the fuels market, the industry turned to mechanization. Thousands of miners were displaced by machinery, and as they were forced from their jobs they turned to the small mines to continue the only occupation they have ever known.

The mines in Kentucky employ, on the average, from four to six employees. The capital required to open a small mine, usually on leased acreage, is very small. In many instances, the mines are strictly family operations. The small mine industry is an integral component of the economic structure of the Kentucky coal fields. In community after community, income derived from the small mines is the only source of income. The thousands of small mine employees are earning a living at jobs which keep them off the welfare list. They are responsible citizens in their communities, and I shudder to think what would have happened in the eastern Kentucky coal belt, already economically depressed, had it not been for the small mines.

The small mine operators are as concerned for the safety of their employees as the larger operators. Mine safety to them is personal and very realistic because in many mines they work shoulder to shoulder with other miners. They sincerely challenge the claim that Senate 743 will give them greater safety, and genuinely fear that should they be required to install expensive equipment to abate a disaster-type condition there will be no alternative but to cease operation.

The operating conditions in most title I mines are totally unlike those in title II operations. The mines are shallow, not deep; they do not have a large concentration of men at points of greatest peril; they do not experience the machine noise and dust which dull perceptory senses; they are not exposed to the constant danger of moving machinery.

I was a member of the House Committee on Labor and Education during the 82d Congress which considered H.R. 7408, later enacted as Public Law 552. In our report we made an unmistakable distinction between major disasters and ordinary day-to-day accidents. Public Law 552 is not a law enacted, nor was it intended, to reduce, control or eliminate the day-to-day type of accidents which account for the majority of all coal mine fatalities. We made it clear that Federal authority was restricted to major disasters, reserving the responsibility for controlling day-to-day accidents to the States. Subsequently, the Department of the Interior in 1954 urged greater Federal-State cooperation to bring State standards up to Federal levels, the sole purpose being the gradual withdrawal of Federal inspection from the inspection field. I feel that S. 743 will only lead to further Federal intrusion into strictly a State matter.

The title I exemption was granted in 1952 only after careful and intensive consideration. The danger of major disasters in small mines is negligible, and the Bureau of Mines admitted at the time that full enforcement among thousands of isolated mines would present a tremendous task.

I want to make it clear that the small mine industry is not opposing mine safety. If they thought remedial legislation were needed they assuredly would be the first to ask for it. I feel that Public Law 552 has done an excellent job in the major disaster prevention field, and yet disasters still occur in our mines. This is probably due to a great extent to the revolutionary changes we have seen in mining technology since the law was enacted. I hope that if S. 743 is enacted into law, that those empowered with its enforcement will administer it with the sole idea of improving mine safety and not for the purpose of shutting down the small mines, as many have feared will be the consequence.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is, Shall the bill pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Alaska [Mr. GRUENING], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from Oregon [Mr. MORSE], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

I further announce that, if present and voting, the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Alaska [Mr. GRUENING], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Oregon [Mr. MORSE], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Georgia [Mr. RUSSELL], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BEALL], the Senator from Utah [Mr. BENNETT], the Senator from Kentucky [Mr. MORTON], and the Senator from Delaware [Mr. WILLIAMS] are necessarily absent.

The Senator from New York [Mr. JAVITS] is absent by leave of the Senate to attend as Chairman of the Economic Committee a meeting of the NATO Parliamentarians Conference at Strasbourg, France.

If present and voting, the Senator from Maryland [Mr. BEALL], the Senator from Utah [Mr. BENNETT], the Senator from New York [Mr. JAVITS], the Senator from Kentucky [Mr. MORTON], and the Senator from Delaware [Mr. WILLIAMS] would each vote "yea."

The result was announced—yeas 80, nays 4, as follows:

[No. 166]

YEAS—80

Aiken	Bridges	Byrd, W. Va.
Allott	Brunsdale	Cannon
Bartlett	Bush	Capehart
Bible	Butler	Carlson
Carroll	Hayden	Mansfield
Case, N.J.	Hennings	Martin
Case, S. Dak.	Hickenlooper	Monroney
Church	Hill	Moss
Clark	Holland	Mundt
Cooper	Hruska	Murray
Cotton	Humphrey	Muskie
Curtis	Jackson	Pastore
Dirksen	Johnson, Tex.	Prouty
Dodd	Johnston, S.C.	Proxmire
Douglas	Jordan	Randolph
Dworshak	Keating	Saltonstall
Eastland	Kefauver	Schoeppel
Ellender	Kennedy	Scott
Engle	Kerr	Smathers
Ervin	Kuchel	Smith
Fong	Long, Hawaii	Talmadge
Frear	Lusk	Wiley
Fulbright	McCarthy	Williams, N.J.
Goldwater	McClellan	Yarborough
Gore	McGee	Young, N. Dak.
Hart	McNamara	Young, Ohio
Hartke	Magnuson	

NAYS—4

Byrd, Va.	Stennis	Thurmond
Robertson		

NOT VOTING—16

Anderson	Javits	Russell
Beall	Lausche	Sparkman
Bennett	Long, La.	Symington
Chavez	Morse	Williams, Del.
Green	Morton	
Gruening	O'Mahoney	

So the bill (S. 743) was passed.

Mr. CLARK. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. RANDOLPH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT OF MUTUAL SECURITY ACT OF 1954

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1319, S. 3058, and I invite the attention of the Senator from Arkansas to this request.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with an amendment, to strike out all after the enacting clause and insert:

That this Act may be cited as the "Mutual Security Act of 1960".

CHAPTER I—MILITARY ASSISTANCE

Military assistance

SEC. 101. Chapter I of the Mutual Security Act of 1954, as amended, which relates to military assistance, is amended as follows:

(a) In section 103, which relates to authorizations, insert the following new subsection (d):

"(d) The value of programs of equipment and materials for American Republics, pursuant to any authority contained in this chapter other than section 106, in any fiscal year beginning with the fiscal year 1961, shall not exceed $55,000,000. For the purposes of this subsection, the value of non-excess equipment and materials shall be as defined in section 545(h) of this Act, and the value of excess equipment and materials (as excess is defined in section 545(h) of this Act) shall mean the acquisition cost

to the Armed Forces of the United States of such equipment and materials."

(b) In section 105(b)(4), which relates to conditions applicable to military assistance, strike out the last sentence.

CHAPTER II—ECONOMIC ASSISTANCE

Defense support

SEC. 201. Title I of chapter II of the Mutual Security Act of 1954, as amended, which relates to defense support, is amended as follows:

(a) In section 131(b), which relates to general authority, strike out "1960" and "$751,000,000" and substitute "1961" and "$700,000,000", respectively.

(b) In section 141, which relates to conditions of eligibility for assistance, strike out "No such assistance" in the second sentence and substitute "No defense support or military equipment and materials".

(c) In section 142(a), which relates to agreements, strike out "No assistance" in the introductory clause and substitute "No defense support or military equipment and materials".

Development Loan Fund

SEC. 202. Title II of chapter II of the Mutual Security Act of 1954, as amended, which relates to the Development Loan Fund, is amended as follows:

(a) Amend section 201, which states the purposes of the Development Loan Fund, as follows:

(1) In the last sentence, after "to develop their economic resources" insert "and free economic institutions", and after "to increase their productive capabilities insert "in agriculture as well as in industry".

(2) At the end of the section, add the following new sentences: "The Congress recognizes that the accomplishment of the purposes of this title in rapidly developing countries requires the development of free economic institutions and the stimulation of private investment, local as well as foreign, in the field of housing. It is the sense of the Congress that, consistent with the other purposes of this title, special consideration should be given to loans and guarantees to stimulate activities in this field."

(b) In clause (3) of the first sentence of section 202(b) insert "or free economic institutions" after "economic resources".

(c) In section 205(a), which relates to management, powers, and authorities, strike out "Under Secretary of State for Economic Affairs" in the first sentence and substitute "Secretary of State".

(d) Insert after section 206 the following new section 207:

"SEC. 207. HOUSING PROJECTS IN LATIN AMERICAN COUNTRIES.—It is the sense of the Congress that in order to stimulate private homeownership, encourage the development of free financial institutions, and assist in the development of a stable economy, the authority conferred by this title should be utilized for the purpose of assisting in the development in the American Republics of self-liquidating pilot housing projects designed to provide experience in countries at various stages of economic development by participating with such countries in (1) providing capital for the establishment of, or for assistance in the establishment of, savings and loan type institutions in such countries; and (2) guaranteeing private United States capital available for investment in Latin American countries for the purposes set forth herein."

Technical cooperation

SEC. 203. Title III of chapter II of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is amended as follows:

(a) In section 304, which relates to authorization, strike out "$179,500,000" and "1960" and substitute "$172,000,000" and "1961", respectively.

(b) Amend section 306, which relates to multilateral technical cooperation and related programs, as follows:

(1) In subsection (a), which relates to contributions to the United Nations Expanded Program of Technical Assistance and related fund, strike out "$30,000,000" and "1960" and substitute "$33,000,000" and "1961", respectively.

(2) In subsection (b), which relates to contributions to the technical cooperation program of the Organization of American States, strike out "1960" and substitute "1961".

(c) In section 307, which relates to advances and grants, insert "(a)" immediately after "SEC. 307. ADVANCES AND GRANTS; CONTRACTS.—", and at the end thereof add the following:

"(b) The President shall arrange for a nongovernmental research group, university, or foundation to study the advisability and practicability of a program, to be known as the Point Four Youth Corps, under which young United States citizens would be trained and serve abroad in programs of technical cooperation. Not to exceed $10,000 from funds made available pursuant to section 304 of this Act may be used to help defray the expenses of such a study."

SPECIAL ASSISTANCE AND OTHER PROGRAMS

SEC. 204. Title IV of chapter II of the Mutual Security Act of 1954, as amended, which relates to special assistance and other programs, is amended as follows:

(a) In section 400(a), which relates to special assistance, strike out "1960" and "$247,500,000" and substitute "1961" and "$260,000,000", respectively.

(b) In section 401, which relates to the United Nations Emergency Force, strike out "1960" in the second sentence and substitute "1961".

(c) In section 402, which relates to earmarking of funds, strike out "1960" in the first sentence and substitute "1961".

(d) In section 403, which relates to responsibilities in Germany, strike out "1960" and "$7,500,000" in the first sentence and substitute "1961" and "$6,750,000", respectively.

(e) Insert after section 403 the following new section 404:

"SEC. 404. INDUS BASIN DEVELOPMENT.—The Congress of the United States welcomes the progress made through the good offices of the International Bank for Reconstruction and Development toward the development of the Indus Basin through a program of cooperation among south Asian and other nations of the free world in order to promote economic growth and political stability in south Asia, and affirms the willingness of the United States, pursuant to authorities contained in this and other Acts, to participate in this significant undertaking. In the event that funds appropriated pursuant to this Act are made available to be used by or under the supervision of the International Bank for Reconstruction and Development in furtherance of the foregoing purposes, such funds may be used in accordance with requirements, standards, or procedures established by the Bank concerning completion of plans and cost estimates and determination of feasibility, rather than with requirements, standards, or procedures concerning such matters set forth in this or other Acts; and such funds may also be used without regard to the provisions of section 901(b) of the Merchant Marine Act of 1936, as amended (46 U.S.C. 1241), whenever the President determines that such provisions cannot be fully satisfied without seriously impeding or preventing accomplishment of such purposes.".

(f) Amend section 405, which relates to migrants, refugees, and escapees, as follows:

(1) In subsection (c), which relates to contributions to the program of the United Nations High Commissioner for Refugees, strike out "1960" and substitute "1961".

(2) In subsection (d), which relates to the continuation of activities undertaken for selected escapees, strike out "1960" and "$5,200,000" and substitute "1961" and "$3,500,000", respectively.

(g) In section 406, which relates to children's welfare, strike out "1960" and substitute "1961".

(h) In section 407, which relates to Palestine refugees in the Near East, strike out "1960" and "$25,000,000" in the first sentence and substitute "1961" and "$22,000,000", respectively; strike out the proviso in the first sentence; and insert after the first sentence the following new sentences: "After January 1, 1961, United States contributions shall not be used for programs of relief which heretofore have been administered on the basis of ration cards except for refugees whose need and eligibility for relief have been certified after July 1, 1960. The provisions of section 548, which relate to the availability of unexpended balances, shall not be applicable to unobligated balances of any funds heretofore or hereafter appropriated pursuant to this section. The President shall include in his recommendations to the Congress for fiscal year 1962 programs under this Act specific recommendations with respect to a program for the progressive repatriation and resettlement of refugees and for reducing United States contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East."

(i) Section 409, which relates to ocean freight charges, is amended as follows:

(1) In subsection (a), after "such nations and areas" insert ", or, in the case of such nations and areas which are landlocked, transportation charges from the United States ports to designated points of entry in such nations and areas,".

(2) In subsection (c), strike out "1960" and "$2,300,000" and substitute "1961" and "$2,000,000", respectively.

(j) Amend section 411, which relates to administrative and other expenses, as follows:

(1) In subsection (b), which relates to certain expenses of administering nonmilitary assistance, strike out "1960" and "$39,500,000" and substitute "1961" and "$40,000,000", respectively.

(2) In subsection (c), which relates to administrative and other expenses of the Department of State, strike out "to" after "appropriated" and substitute "for expenses of".

(k) In section 419(a), which relates to atoms for peace, strike out "1960" and "$6,500,000" and substitute "1961" and "$3,400,000", respectively.

CHAPTER III—CONTINGENCY FUND

SEC. 301. Section 451(b) of the Mutual Security Act of 1954, as amended, which relates to the President's special authority and contingency fund, is amended by striking out "1960" and "$155,000,000" in the first sentence and substituting "1961" and "$175,000,000", respectively.

CHAPTER IV—GENERAL AND ADMINISTRATIVE PROVISIONS

SEC. 401. Chapter IV of the Mutual Security Act of 1954, as amended, which relates to general and administrative provisions, is amended as follows:

(a) Section 502, which relates to use of foreign currency, is amended by adding the following new subsection:

"(c) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, if the President finds that participation by the United States in an internationally financed program to preserve the great cultural monuments of the Upper Nile would promote the foreign policy of the United States he may, subject

to the approval of the Congress, use or enter into agreements with friendly nations or organizations of nations to use, for this purpose, foreign currencies owned by the United States which have been generated under this Act or under the Agricultural Trade Development and Assistance Act of 1954, as amended, in the countries in which the program is to be carried out, but the valuc of foreign currencies so used shall not exceed an amount equal to 33⅓ per centum of the total cost of such program."

(b) Section 504(d), which relates to small machine tools and other industrial equipment, is repealed.

(c) In section 505(a), which relates to loan assistance and sales, insert after the first sentence the following new sentence: "Commodities, equipment, and materials transferred to the United States as repayment may be used for assistance authorized by this Act, other than title II of chapter II, in accordance with the provisions of this Act applicable to the furnishing of such assistance.".

(d) In section 513, which relates to notice to legislative commodities, insert before ", and copies" in the last sentence the following: "and under the last clause of the second sentence of section 404".

(e) Amend section 523, which relates to coordination with foreign policy, by adding the following new subsection:

"(d) Whenever the Chief of the United States diplomatic mission in a country determines that the achievement of United States foreign policy objectives there requires it, he may issue regulations applicable to officers and employees of the United States Government and to contractors with the United States Government governing the extent to which their pay and allowances received and to be used in that country shall be paid in local currency. Notwithstanding any other law, United States Government agencies are authorized and directed to comply with such regulations."

(f) Amend section 527, which relates to employment of personnel, as follows:

(1) In subsection (b), which relates to employment of personnel in the United States, strike out "seventy" and "forty-five" in the first sentence and substitute "seventy-six" and "fifty-one", respectively.

(2) In subsection (c), which relates to employment of personnel outside the United States, strike out "Director" in the introductory clause and substitute "President"; and insert before the period at the end of paragraph (2) the following new proviso: ": *Provided further,* That Foreign Service Reserve officers appointed, or assigned pursuant to this paragraph shall receive in-class promotions in accordance with such regulations as the President may prescribe".

(3) In subsection (d), which relates to appointment of alien employees outside the United States, strike out ", at the request of the Director".

(g) In section 534(a), which relates to reports, strike out "six months" in the first sentence and substitute "fiscal year".

(h) In section 537(a), which relates to provisions on uses of funds, amend paragraph (3) to read as follows: "(3) contracting with individuals for personal services abroad: *Provided,* That such individuals shall not be regarded as employees of the United States for the purpose of any law administered by the Civil Service Commission;".

(i) In section 537(c), which relates to construction or acquisition of facilities abroad, strike out "$2,750,000" and substitute "$4,250,000".

CHAPTER V—TECHNICAL AMENDMENTS REFLECTING NEW LIMITS OF UNITED STATES

SEC. 501. The Mutual Security Act of 1954, as amended, is amended as follows:

(a) In section 205(c), strike out "continental" in the twelfth clause of the first sentence.

(b) In section 411(d), strike out "the continental limits of".

(c) In section 527(c), strike out "the continental limits of" in the introductory clause.

(d) In section 527(d), strike out "the continental limits of".

(e) In section 530(a), strike out "the continental limits of".

(f) In section 537(a), strike out "continental" in the last proviso of paragraph (5) and in paragraphs (13) and (17); and strike out "the continental limits of" in paragraph (10).

CHAPTER VI—AMENDMENTS TO OTHER LAWS

SEC. 601. The Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691 and the following) is amended as follows:

(a) In section 104, which relates to use of foreign currencies, strike out all following "Acts" where it first appears in the last proviso and insert a period.

(b) In section 202, which relates to transfers of surplus agricultural commodities on a grant basis, strike out "The" at the beginning thereof and substitute the following: "In order to facilitate the utilization of surplus agricultural commodities in meeting the requirements of needy peoples, and in order to promote economic development in underdeveloped areas in addition to that which can be accomplished under title I of this Act, the".

(c) In section 203, which relates to delivery of relief supplies, after the words "designated ports of entry abroad" insert ", or, in the case of landlocked countries, transportation from United States ports to designated points of entry abroad,".

SEC. 602. Section 501(b) of the Mutual Security Act of 1959 (73 Stat. 256), which relates to international cooperation in health, is repealed.

SEC. 603. Section 2 of Public Law 174, Seventy-ninth Congress, as amended (22 U.S.C. 279a), which relates to United States membership in the United Nations Food and Agriculture Organization, is amended by inserting "such" before "sums" and striking out "not exceeding $3,000,000."

SEC. 604. Section 3(a) of Public Law 403, Eightieth Congress, as amended (22 U.S.C. 280b), which relates to United States membership in the South Pacific Commission, is amended by striking out "$75,000" and substituting "$100,000".

SEC. 605. Title II of the United States Information and Educational Exchange Act of 1948, as amendcd (22 U.S.C. 1431), which relates to interchange of persons, knowledge, and skills, is amended by adding the following:

"ASSISTANCE TO STUDENTS FROM OTHER COUNTRIES

"SEC. 204. (a) With respect to students from other countries attending colleges or universities in the United States, under the provisions of this Act or under any other government, institution, or individual program which furthers the purposes of this Act, the Secretary is authorized to provide for counseling, orientation, supplementary English language training, and such other assistance as will help them to have a fruitful experience here consistent with the objectives of section 2.

"(b) Grants which are made to colleges and universities under this section shall be made in the discretion of the Secretary on the basis of specific programs submitted to him.

"(c) Institutions receiving such grants shall be obliged to contribute an equal amount to such program. No grant to an institution shall exceed $100 per foreign student enrolled in the institution during the period of the grant. No part of such grant shall be payable to a foreign student. The total amount of such grants shall not exceed $1,000,000 in any fiscal year."

SEC. 606. The President shall have a study made of the functions of, and the degree of coordination among, agencies engaged in foreign economic activities, including the Department of State, the International Cooperation Administration, the Development Loan Fund, the Export-Import Bank, and the Department of Agriculture, with a view to simplifying and rationalizing the formulation and implementation of United States foreign economic policies. The President shall include in his presentation to the Congress of the fiscal year 1962 mutual security program his findings and recommendations resulting from such study.

Mr. JOHNSON of Texas. Mr. President, the distinguished minority leader informs me that a Senator desires to offer an amendment to the mutual security bill, but that he will not be able to be here until about 5:30 this evening. I do not anticipate that we will have the third reading of the bill before 5:30, but I should like to have all Senators on notice that if the Senator is in the Chamber and offers his amendment, and if we can conclude with the bill and go to a third reading this evening, we would like to do so.

REPORT ON REVIEW OF SELECTED COMMERCIAL AIR SHIPMENTS OF HOUSEHOLD GOODS OF MILITARY PERSONNEL

Mr. BYRD of Virginia. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures I am in receipt of a "Review of Selected Commercial Air Shipments of Household Goods of Military Personnel" by the Comptroller General of the United States.

This audit review was forwarded by the Comptroller General of the United States, the Honorable Joseph Campbell, under a letter dated April 25, 1960.

I ask unanimous consent to have this letter from the Comptroller General published in the RECORD as part of these remarks, along with a copy of a statement by me relative to the review.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, April 25, 1960.

Hon. HARRY F. BYRD,
Chairman, Joint Committee on Reduction of Nonessential Federal Expenditures, Congress of the United States.

DEAR MR. CHAIRMAN: Enclosed for the use of your committee is a copy of our report to the Congress on review of selected commercial air shipments of household goods of military personnel.

The report discloses that unnecessary costs were incurred as a result of shipping household goods of transferred military personnel to and from oversea points by commercial air transportation. We found that air transportation was used in cases where adequate surface transportation was available at much lower cost. A review of 13 expensive shipments of household goods by commercial air at a total cost of $125,470 disclosed that shipment by surface transportation was feasible and would have cost only about $23,000 or

Mr. President, I submit that that is a review of the assumption of technical feasibility made by the administration in August 1958, which was rendered unrealistic by later tests and information. I believe the same point is made in my speech that was made in the communique. I am sure that the joint communique makes it much better. I read further from the communique:

It is, however, the sincere hope of the President and the Prime Minister that an agreed program of coordinated scientific research, undertaken by the three countries, will lead in time to a solution of this problem.

I made such a proposal to the President in November 1958. It has now been proposed to the Russians in Geneva, upon instructions to the British and American delegations by Prime Minister Macmillan and President Eisenhower. I am advised by the Department of State that it expects the Soviet reply within the week. I hope the reply will be favorable. This would be a constructive step. If, together, the nuclear powers could solve some of these technical problems of detection, it would not only promote the conclusion of a treaty, but would also promote mutual confidence between the powers.

I read further from the joint communique:

Meanwhile, the President and the Prime Minister believe that progress can be made toward their ultimate objective of a comprehensive agreement.

There is nothing in disagreement with my statement there. I continue to read:

They have agreed that much has been accomplished in these Geneva negotiations toward this objective.

They point out that in the effort to achieve the early conclusion of a treaty there are a number of important specific problems to be resolved. These include the questions of an adequate quota of on-site inspections, the composition of the control commission, control post staffing, and voting matters, as well as arrangements for peaceful purposes detonations.

I wish to call to the attention of the Senator the fact that after the conclusion of a treaty such as the joint communique describes, and after there is a joint program of research, and after definite means of detection are agreed to and in operation, then, and only then, according to the communique, is the moratorium to be considered and made operative.

Mr. CLARK. If I may interrupt the Senator, I should think not only after the treaty has been negotiated, but after it has been ratified by the Senate.

Mr. GORE. This is not made plain in the communique.

The Prime Minister and the President have agreed that as soon as this treaty has been signed—

I believe that does make it plain—

and arrangements made for a coordinated research program for the purpose of progressively improving control methods for events below a seismic magnitude of 4.75, they will be ready to institute a voluntary moratorium of agreed duration on nuclear weapons tests below that threshold, to be accomplished by unilateral declaration of each of the three powers.

I had not presumed to discuss the moratorium which it is proposed will be accomplished by Executive order of the President of the United States after the conclusion of a treaty, and after a joint program of scientific research on test detection is undertaken.

After all, the Senate does not consider an executive direction to an agency of the Government as it does a treaty. In my speech today, I have referred to—and I had intended to refer to—the terms of a treaty which, under the Constitution, must come to the Senate for ratification.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CLARK. I agree with everything the Senator has said about the importance of separating a treaty from the executive act of a moratorium, but I wonder if the Senator would not agree with me that it might well be unwise for the President, acting in his executive capacity, to agree to a moratorium for a fixed period prior to the ratification of a treaty by the Senate.

I assume that a moratorium on a day-to-day or a month-to-month basis, pending ratification, might well be desirable; but I for one would hesitate to indicate that, in my individual judgment, it would be a matter of course for the Senate to ratify such a treaty in the face of an agreement on a moratorium for a fixed period of a substantial length of time.

Mr. GORE. Of course, a moratorium which is tied specifically to a treaty, although not an integral part of the treaty, would of necessity be considered by the Senate. To state it another way, the Senate would, of necessity, consider the treaty in light of such moratorium or other internationally agreed positions as might be closely related to it.

In this instance, it seems to me that we are talking of a hypothetical occurrence. The President and the Prime Minister have placed first things first: The conclusion of a treaty with adequate safeguards for those tests covered by the treaty; the initiation of a joint program to conduct experiments and research in developing means of detection; and then, after those things are concluded, the question of a moratorium would be in order. I hardly know how to discuss the subject, because we have not reached that stage yet.

Mr. CLARK. I agree with the Senator from Tennessee. I was intending only to throw out a possible caveat, which I will now make more specific by calling attention to the sentence in the United States-British statement which refers to an agreement, as soon as the treaty has been signed and arrangements made for a coordinated research program and continues that there would thereupon be a readiness to institute a voluntary moratorium, for an agreed duration, on nuclear weapons tests below that threshold. I could have wished that the communique had used the word "ratified" rather than "signed." I am still of the view that a unilateral declaration should not be in the first instance for a period or a duration longer than it could be anticipated it would take the Senate to deal with the ratification of a treaty.

Mr. GORE. I conclude by saying there is much merit to the position taken by the senior Senator from Pennsylvania. I shall not presume to reach a judgment upon a moratorium which has not been agreed upon. Much would depend upon the nature of the tests involved in a moratorium agreement; likewise the duration of a moratorium, the effect it might have upon the operation of the International Control Commission, and the effect it might have upon the treaty.

I shall, of necessity, as I am certain the senior Senator from Pennsylvania will do, reserve judgment upon this question, expressing faith that President Eisenhower and his administration will be prudent in this regard, as in others.

I yield the floor.

MUTUAL SECURITY ACT OF 1960

The Senate resumed the consideration of the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. FULBRIGHT. Mr. President, I rise to discuss the action taken by the Committee on Foreign Relations on S. 3058, the Mutual Security Act of 1960.

I do not, it will be noticed, leap to my feet ablaze with excitement and enthusiasm. My eyes do not sparkle with happy anticipation. Instead, I rise with the restraining weight of a heavy responsibility and the duty unavoidably attached to my position as chairman of the Foreign Relations Committee pulling at my shoulders. Further, I do so in the oppressive knowledge that no one in the Senate has an assignment which is less likely to arouse the sympathetic interest of the American public.

I am well aware of the fact that the mutual security program is no more popular—or, to be accurate, no better understood—among the people of my State than it is in the Nation generally. How much more pleasant it would be for them and for me if their junior Senator were today reporting from committee a public works project easily seen as of immediate and direct benefit to Arkansas. How much more entertaining it would be if I were appearing on their television screens in the guise of St. George lustily belaboring the scaly elements of evil abroad in our land, or in a burst of patriotic fervor denouncing all those benighted "furriners" who have different ideas from ours about how to organize or manage their affairs.

Yet I can and do take the stoic's comfort to be derived from the performance of a stern but vital duty which is essential to the security and well-being of Arkansas, the Nation, and the entire free world.

I think my attitude is fully comprehensible to my colleagues. Perhaps it will be even more widely understood if

I compare it with the average citizen's failure to become joyful over his life insurance policy. He does not pull out his policy ever so often and look at it with tender affection. In fact, his quarterly or annual payments may be a source of distress and bitter complaint. The family man, nevertheless, feels that to reduce or dispense with that policy would jeopardize that which is dearest to his heart, the security of his family.

Mr. President, I believe that the mutual security program is the insurance policy indispensable to this country as it carries out its international responsibilities.

I would admit that Mr. Average Citizen, while seldom enthusiastic about his personal insurance policy, might well be pleased and moved by the opportunity to attach clauses which would give him much better coverage at roughly the same cost. Many of my colleagues joined me in expressing the hope that this year's mutual security program would come to us from President Eisenhower with just such clauses in evidence. Indeed, many of us in the last session worked hard, albeit unsuccessfully, to make the changes in the bill conceded to be necessary, even by high administration officials. We tried to give the program continuity and the ability to plan for the future. We tried to make efficient administration possible, but we failed—at least temporarily.

Unfortunately, the mutual security program for 1960 in many ways resembles a plate of warmed-over grits. In the near absence of initiative, originality, and long-term provisions in the bill before us—symptomatic of a tired administration, as well as of election year dictates—it is not surprising that the Foreign Relations Committee, rebuffed for its energetic pains last year, could not muster much fresh enthusiasm for what is essentially a holding operation.

At the same time, I would fully support the view that there is much nourishment in warmed-over grits, and that many would find them palatable and comforting if no more exciting fare were available.

Having, I hope, clarified my overall position, I should like now to recall briefly some of the arguments about the bill before us. My colleagues will be glad to know that I do not intend to give a long list of facts and figures and a point-by-point recital of committee actions and changes. These are fully described and justified in the excellent committee report on their desks. Instead, I want to make a few general observations about the basic nature of the mutual security bill.

With a slight amendment, let me recall a phrase of Plutarch's:

> It is a difficult task, O citizens, to make speeches to the [pocketbook], which has no ears.

I would add, "no eyes" either, for the justification of a foreign-aid program has been spelled out in detail in myriad publications for more than a decade. The arguments have been presented and wholeheartedly subscribed to by all our Presidents, Secretaries of State and Defense, Joint Chiefs of Staff, and other high officials. As was noted in the other body a few days ago, every declared presidential candidate at the present time, as well as the undeclared possibilities for the nomination, so far as I am aware, is fully committed to the importance of foreign aid. Yet each year it seems that the same fundamental arguments have to be presented to those who either fail to use their eyes and ears or refuse to believe them.

Why there should still be so little public understanding of the mutual security program is only a partial mystery. Frankly, I do not believe it unfair to assign some of the blame to the press and other information media. Very few newspapers around the country find it to their interest to pursue educational functions. Yet many are only too happy to seize on an isolated minor instance of waste or inefficiency and use it to imply that it typifies the whole foreign-aid program, which should therefore be abolished. This is rather like having the stockholders of a big corporation demand liquidation because 2 out of 100 employees in a certain category are not performing well. Then there is the classic case of the headlined big "scandal" we had an instance of that last year—and the tiny admission of error on the next edition's back page. I would also add that few people seem to be aware of the continuing force of the mutual security provision which prohibits undue executive branch efforts to secure public understanding of the foreign-aid program here at home.

Whatever the reasons, the fact remains that there is little understanding, or there is misunderstanding, of the mutual security program in many areas of the national scene. I am not so naive as to think that an attempt to counter the usual criticisms with either argument or logic will go far toward converting convinced opponents of foreign aid. But neither am I so discouraged that I shall not try to stimulate interest in the committee report among those who have as yet refrained from taking a firm position.

Before passing on to what I would consider more important factors, let me give at least a hurried not to the charges and epithets traditionally hurled at the mutual security bill. There is always a sort of tragic Greek chorus ready to break into its moaning cries of "giveaway," inefficiency, blunders and baloney, waste and woe.

First, let us consider the "giveaway" charge. As in years past, my colleagues will find in the voluminous record of committee hearings testimony to the effect that roughly 80 percent of all mutual security funds are directly spent in the United States, and that over 500,000 jobs for American citizens have been created by the program. These estimates, made by nongovernmental experts in 1957, are still applicable and are unrefuted. But how much publicity is given and how much attention is paid to this evidence, and what is the response? One elected representative of the American people, when recently confronted with this information, figuratively folded his arms and stuck out his lower lip, and literally said "I do not believe it." There was no further argument, and there will be none now on that score. I do not mean to imply that this is the principal justification for this program, but it is on this one score.

Next, what about waste and inefficiency? It seems that even the strongest supporters of the mutual security program these days must go through a ritualistic ceremony of admitting and deploring the element of truth in these charges, pledging themselves anew to a crusade for improvement, and then stating somewhat ruefully that they will vote for the bill. I have considerable sympathy for this reaction, since I am far from believing that every project is equally essential and that the program now before us is the best that could be created. In fact, I know that it is not.

Yet I doubt that this defensiveness is actually necessary. I doubt that our constituents really see us or administration officials as playboys of the roaring twenties frantically scattering taxpayers' money to the winds. I doubt that we need constantly to protest that we do not condone ineptitude and careless handling of money. And I fear that by catering to the critics' obsession with an acknowledged small amount of waste, we invite at least two dangerous reactions: one, we allow attention to be diverted from really important deficiencies in the aid program; and, two, we misrepresent Americans as being more interested in the accounting process than in preserving national security and benefiting humanity.

If anyone does not have enough imagination to comprehend the difficulties and inevitable trial-and-error methods involved in an attempt to give a primitive jungle or desert country a chance to preserve its independence, then no words of mine will serve to impart that imagination. If anyone believes that his townsmen and neighbors, in serving our country overseas, through some mysterious alchemy lose all ideals and virtues, and become bumbling wastrels, then I can only commiserate with that person for his low opinion of his fellow men, and perhaps of himself. If anyone thinks that the pure application of American business methods will lift the foreign-aid program into a paradise of efficiency, I would ask him if he has never known of a fellow citizen who went out to buy a new automobile or television set, and found he had bought a "lemon." If anyone considers that the U.S. Congress has discovered the touchstone of inspired planning and absolute efficiency, let him take a windswept ride on one of our impressive new subway cars, with wheels designed for a dead-straight track, and let him listen to the reproaches of those wheels as they shudder and groan through a serpentine tunnel and grind themselves into dust. But I have not heard anyone advocate the abolition of the Senate merely because of that glaring instance of ineptitude.

The sad truth, Mr. President, is that human enterprises are no more perfectable than the imperfect humans who conceive of them and carry them out.

This fact happily does not in the least deter mankind in its constant battle for what it believes is progress and a better world. It has not discouraged a campaign for improved administration of the mutual security program; indeed, our committee report, as well as that of the other body, cites marked improvements in the program.

However, insistence on an absolute can be carried to the point of causing barren destruction. Who can help but be emotionally stirred when a self-proclaimed supporter of the principle of mutual security rises to declaim righteously and to vote against the program so long as even $1 is wasted? Yet surely a more mature judgment would ask whether that $1 is to be saved by throwing the whole program overboard.

As I have suggested, more important drawbacks exist in the mutual security program and are of a character different from what the usual criticisms indicate. These drawbacks can generally be classified under the charge of adopting short-term solutions for long-range problems. Each year we go through the same time-consuming and exhausting process of examining the program with a fine-tooth comb. And each year the resulting legislation becomes more complex and cumbersome as friend and foe alike hasten to add just those few more provisions that will really add up to a magical formula for preventing any waste whatsoever. In the process of detailed argument, the administration becomes more and more committed to stand by and carry out plans that events may prove to be ill adapted to meet and overcome rapidly shifting local situations.

Although few programs ever undertaken by any government at any time have been so carefully scrutinized and checked, congressional critics insist upon diverting our attention from the policy issues, which properly should be our main concern, to a narrow concentration upon administrative practices. The goal here seems to be to make us over into management experts rather than shapers of foreign policy. The committee has manfully struggled to elevate its work to the proper plane—especially with a view toward planning for the longer-range future—but has made little headway against administration timidity and congressional suspicions.

Now let us look at two interrelated arguments advanced even by those who have been counted among the advocates of the program in past years. I believe these arguments are worthy of being viewed more seriously and sympathetically.

First, there is the natural reaction of many of those who are sick and tired of being forced to spend weeks each year in tedious and unrewarded examination of a program that seems to bring us no closer to a lasting solution, who believe that certain portions of the program are deeply mired in a rut, and who are convinced that a new and fresh approach is imperative. This reaction can take the form of willingness to consider large punitive cuts and sweeping administrative changes in an attempt to compel a fundamental reconsideration of the program.

Perhaps an answer by analogy can be drawn from the soap-opera case of the disgruntled husband who, after nearly a decade of marriage, is demanding that his tired, almost slovenly wife either make herself over or go home to mother. Well, the lady has had a rough time of it over the past few years; she has borne children, washed and mended, slaved over the hot stove—burning several culinary efforts in the process—and has generally safeguarded the security and well-being of the home. Quite rightly, she feels she has done yeoman service and should not be expected to look exactly like the girl he married. With the best intentions, she just has not the strength to do all she should; surely matters will be different next year, when the children are older and there will be some part-time help. Now if friend husband thinks about the alternatives with a little clarity, he almost certainly will take a more understanding position. The real danger, however, is that some seductive charmer he might meet in the local tavern will turn him from the path of duty and good sense.

That charmer shows up in the second argument, which points to apparent or hoped-for changes in the world scene that might permit us to relax our overall efforts a bit, or at least to dispense with some of our very costly defense establishments and arrangements. My own view is that there has been no basic change in the cold war problem which justifies any letting down of our guard. Indeed, the Berlin situation is more than sufficient confirmation of that view.

My colleagues are aware that the committee last year, disturbed at the apparent scarcity of long-range foreign policy thinking and planning in the Government, arranged with private groups and institutions for a series of studies which would provide the basis for some fresh independent thought about the global scene. One of the best of these studies is the one prepared on the U.S.S.R. and Eastern Europe by a Columbia-Harvard research group. To place the bill before us in the proper context, I should like to quote the following excerpts from that report:

> The evidence seems to suggest that these internal changes (in the U.S.S.R.) are not likely, at least over the next decade or so, to lead to real normalization of Soviet relations with the rest of the world * * * the position of the Soviet leadership promises to remain strong and its commitment to Communist goals unimpaired.
>
> As a consequence, if present trends continue, a further increase of Soviet power and influence is to be expected.
>
> Dealing with the Soviet challenge should not become an exclusive preoccupation of American policy. While it is of vital importance that we steadily take the measure of the Soviet challenge, without becoming distracted by the day-to-day ups and downs of Soviet "atmospheric" changes, the central focus of our policy should be the political growth and economic improvement of the non-Communist world. This forward movement, inspired by a vision of democratic progress, is essential to the creation of a world environment favorable to the survival and development of free institutions. It is also the course of action most likely to lead to a modification of Soviet policies over the long run.
>
> It is vital that the United States not allow an imbalance of military power to develop in the Soviet favor, not only in the interest of the maintenance of peace but also in order to protect the non-Communist world against a process of piecemeal disintegration.
>
> It is necessary that the United States and its allies be prepared to use a range of instrumentalities—military, political, and economic—to insure against the further extension of Soviet power and influence.
>
> Coordinate with these measures, the United States should be continuously prepared to explore through negotiation the settlement of outstanding problems between the Soviet Union and the non-Communist world, without either undue expectations or sterile pessimism.
>
> Finally, there is the requirement on which all other depend: the development of a public understanding sufficiently informed and mature to be willing to support heavy costs and sacrifices without the stimulation of crises or bellicosity, without wild alternations between optimism and pessimism. This is the source of strength which would make it possible for a democratic society to preserve the essential qualities of its democratic life while it mounts the degree of mobilization necessary to deal with the mortal, and continuing, challenge of the Soviet system.

I do not believe that we shall find a better and more succinct appreciation of the world we face than the study which I have just quoted.

Now let us take one concrete example of the importance of supporting a mutual security program which will give our Government tools not only to deal with the Soviet challenge but also to support initiatives in the uncommitted areas of the world. I invite your careful attention to an article by Hamilton Fish Armstrong in the New York Times magagine of April 17 on the new African country of Guinea. Mr. Armstrong, the respected editor of Foreign Affairs, is extremely knowledgeable and no alarmist. Yet the picture he gives of the situation in Guinea fully bears out his article's title, "Disturbing Portent for Africa."

It is clear that, through the permissive inertia and mistakes of the West, the Soviet bloc has moved with great speed into a small West African country which it threatens to dominate and turn into a base for further operations in the area. Guinea now depends almost entirely on Soviet credits of $35 million and on bloc technicians for its future development. It has severed its ties with the French franc zone, and roughly 80 percent of its trade is with the Soviet bloc—whereas formerly an even greater percentage of trade was with the West. Mr. Armstrong does not suggest that President Toure is a Communist, nor does he question the sincerity of Toure's determination to keep Guinea neutral and uninterested in the cold war. However, as the article says:

> It is doubtful whether he and most of his ministers realize as yet just how tightly they are being caught in the spider's web.

After pointing out the implications for the rest of Africa if the Soviet-supported venture becomes a success in Guinean eyes, Mr. Armstrong in the following passage concludes that our Government

is not organized to cope with such developments and strongly criticizes both Congress and the executive branch.

The fact is that, although the American system of government serves us pretty well at home, it is completely helpless to deal with a whole series of situations confronting us around the world.

Congress is unwilling to trust the executive with sufficient free funds to enable it to act promptly in critical situations. It refuses to appropriate ahead so that there can be long-term planning. When Government funds are available, they are swathed in red-tape.

Mr. President, I ask unanimous consent that the entire article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. FULBRIGHT. Mr. President, I happen to believe that Armstrong lets the Executive off too easily—what is the President's contingency fund for, if not for emergencies?—but there is no doubt in my mind that he is right on the essentials.

I do not raise this as a plea for dramatic action with respect to Guinea; the time for emergency moves has given way to a need for careful appraisal accompanied with the readiness to act swiftly whenever appropriate. Rather I want to underline the necessity of supporting the mutual security program before us, minimal and cumbersome though it may be in some respects. We will not this year obtain the improvements a number of us wholeheartedly desire. Nevertheless, many of the tools are here if the Executive only chooses to use them, hopefully with vigor and courage.

Now, before concluding, I owe my colleagues at least a very brief résumé of committee action on S. 3058. First, let me remind Senators that the administration's request for $1.454 billion in its authorization bill leaves out of account the $2 billion requested for military assistance and $700 million for the Development Loan Fund. Authorization was provided last year by the Congress for these two categories. The committee did, however, limit military assistance, other than training, for Latin America to a ceiling $2 million below that proposed by the administration.

The bill as reported by the committee contains total authorizations of $1,425,500,000—a reduction of $29,400,000 in the administration's request. Most of the cut was made in defense support, a category that the committee has long believed should be reduced as quickly and stringently as considerations of military security will permit. Special assistance was cut by $8.5 million. Finally, $400,000 less than requested was earmarked for the U.N. High Commissioner for Refugees, because the committee considered that his program should be phased out, rather than shifted to a new group of refugees.

In an attempt to stimulate a solution to the Palestine refugee problem, Congress for 2 years has directed that a percentage of the authorized appropriation for the refugee program should be reserved for repatriation or resettlement. This proviso has had absolutely no effect. The committee therefore has proposed to repeal it, to provide for the return of $6.25 million in accumulated funds to the Treasury, and to direct the President to make specific recommendations next year for dealing with the problem. The net effect of the committee's action on this section is to reduce the administration request by $3 million.

While the bill contains little that is new, there are two or three provisions which should be noted here. The sense of Congress is expressed that the Development Loan Fund should assist savings and loan type institutions and guarantee private U.S. capital available for housing investments in Latin America. As requested by the administration, authority is provided to use funds for the Indus Basin development under the supervision of the International Bank and in accordance with the Bank's standards and procedures. Lastly, contained within the illustrative program for special assistance is a provision for a $20 million special program for tropical Africa. The committee welcomes this evidence of growing attention to the needs of Africa, and hopes that the program will be administered in such a way as to encourage greater regional integration.

Let me close by addressing exhortations to three groupings among my colleagues.

First, to those who intend to vote for S. 3058 in the belief that it is a good, sound bill and just what the doctor ordered, I pay my sincere respects with a somewhat wistful admiration for such consistency and faith.

To those who recognize that the doctor ordered it, but disagree with the nature of the prescription and want to change doctors, I would recommend the old LaGuardia slogan, "patience and fortitude." I would also tentatively suggest that the medicine not be taken through clenched teeth for fear of spilling enough to require the administration of a supplemental dose.

Finally, to those who firmly believe that the mutual security bill is a monster to be slashed ruthlessly, I would invite them to look at page 25 of the printed hearings. They will find that the repository of all foreign policy wisdom—I am, of course, referring to the Bureau of the Budget—has already hacked some $750 million from the departmental requests with its "vorpal blade." Surely those colleagues will not wish to prevent the bleeding Jabberwock from staggering through one more year.

Now, Mr. President, a final word about the aid program in Korea. As reflected in the hearings and as stated in the committee's report, the Foreign Relations Committee was gravely concerned over the situation in Korea prior to the most recent and serious outbreak of rioting. It is to be hoped that the change in government in Korea will be accompanied by political reforms which will bring a greater measure of freedom and stability to that unhappy country.

I noticed in this afternoon's newspaper that the new Acting President, Huh, was quoted as saying, "I believe there is waste of American aid funds and improper management." That is not news to the committee, but I am glad to see the Acting President of Korea has now recognized it.

Again to quote the committee's report, there seems no generally acceptable alternative to continuing the aid program in Korea. On the other hand, the recent events in that country raise a question, which is of wider application, as to the long-term effectiveness of an aid program continued in the absence of an atmosphere of expanding basic freedoms. This is a question which I think should be looked into before another mutual security bill comes before the Senate.

Among other things, thought should be given to the provocative questions raised by Conlon Associates in their study on Asia prepared at the request of the Committee on Foreign Relations. These questions are:

1. What form of aid is most conducive to stimulating indigenous energies and capital formation?
2. To what extent should assistance be geared to long-range plans and what should be the American responsibility for checking the validity and progress of such plans?
3. What is the proper balance between military and economic aid, in terms of the security and welfare of Korea?

EXHIBIT 1

[From the New York Times, Apr. 17, 1960]

DISTURBING PORTENT FOR AFRICA

(By Hamilton Fish Armstrong)

CONAKRY, GUINEA.—In a world preoccupied with summit conferences, the new nation of Guinea does not loom large, but developments there are—and should be—of great interest as an example of how Communist alertness can capitalize on Western errors and inertia. For the Soviet bloc is operating in Guinea. And if things progress as Moscow hopes and intends, Guinea can become a cancer that would affect the whole of west Africa.

Almost the only certain fact about the situation in Guinea today is that its economy is coming to be dominated more and more by the Soviet Union and its satellites. The Soviets have given the Government $35 million of credits on the easiest sort of terms. Part is being used to buy Russian sugar and cement, East German flour and matches, Czechoslovak cotton materials and shoes. The stock of French goods is drying up; the showrooms for French and American cars are bare, and Russian and Czech cars are taking their place.

Formerly, Guinea's foreign trade was more than 80 percent with the West. Now the proportions have been reversed—80 percent with the Soviet bloc, 20 percent with the West.

The Russian sugar is not very sweet, the East German flour makes tough bread, but all is cheap, and any resentment at the gradual deterioration in standards will come slowly and only from people of little influence. As a whole, the country is united behind President Sékou Touré and his policy of going it alone politically, come what may economically.

For the most part the Soviet credits are being used to finance an amazing variety of projects that will build up local pride and gratitude.

The airstrip at Conakry is being lengthened to 3 kilometers to take jets; already several Soviet-built Czech planes have landed here on practice flights, and soon one

will be able to fly direct from Prague, via Zurich and Rabat, to Conakry (and before long on to Accra) on a frequent schedule. Guinea and Ghana have taken the first steps toward confederation; the ability to fly between Conakry and Accra several times a week in an hour and a half (at present it is a 6-hour flight once a week) will tend to cement what has so far been a rather artificial union.

The road to the airport is to be made into a four-lane modern highway. Fifty modern Hungarian buses are in service, a great popular convenience and delight. A polytechnic institute is to be built. At present there is no daily paper in Conakry (or indeed any regular periodical except a Government mimeographed news sheet); this lack will be remedied by a new East German printing plant. A shoe factory is also to be built. And there is to be a sports arena seating 25,000. Conakry is stuffed with the Communist engineers and technicians engaged on these undertakings; and as three new hotels also are planned, the number presumably will rapidly increase.

Each of these enterprises is needed and will bring applause. Each will put the Soviet Union out of pocket. But the overall bookkeeping, Moscow figures, will show a colossal profit. Would not $35 million be a cheap price to pay for a country?

President Touré was undoubtedly sincere when he said during his trip to the United States last November that he was determined to preserve Guinea's neutrality, and he has reiterated the same determination to me here vehemently. But he does not believe in exclusive dealings and is not interested in the ideologies of those who offer to help. Where there is need—and there is need for everything—he takes what is offered if he believes it is without strings. Taken one by one, the strings may seem slender, and Mr. Touré does not stop, perhaps, to consider their cumulative strength. As he said to me more than once, "Africa is in a hurry."

As an earnest of his neutrality, the President notes that he has not interfered with Western industrial enterprises, and says he will not do so. But these assurances are contradicted by reports that the Government plans soon to nationalize everything down to, but not including, local retail trade. This would presumably include Fria, the American-dominated consortium which has been developing Guinea's great bauxite resources. Several weeks ago, only a few months before it was to start exporting alumina, Fria discharged 3,000 workers, apparently in anticipation of nationalization.

In a defiant gesture toward France, and indeed toward the Western world, President Touré announced on March 1 that Guinea had cut itself off from the French franc zone and was issuing its own currency. Its backing, so far as is known, consists only of the bananas on the trees, the bauxite in the hills and the diamonds in the ground. Some Guineans call it monnaie des singes—monkey money.

Some of the President's colleagues may have intended that their rejection of France in principle would leave less and less of neutrality in practice as the country's commercial activity was more and more concentrated in the hands of the Soviet bloc and as more and more Czech and other technicians took over advisory and supervisory positions.

But probably Mr. Touré himself did not intend this, and it is doubtful whether he and most of his ministers realize as yet just how tightly they are being caught in the spider's web. "We were here before the French; the French put us in their Empire, but could not hold us. We are ourselves again, and will remain ourselves." It is a noble attitude, but hard for an inexperienced and needy little country to maintain in a modern world.

In fairness to Touré, it should be pointed out that once Guinea had opted for complete independence in September 1958, the French course of action, and the action, or rather nonaction, of the rest of the West, made the present result unavoidable. France, in effect, picked up her toys, smashed those she couldn't carry, and went home. Guinea was denuded of everything, from the uniforms off the backs of the police to the law books in the courts.

It is questionable whether Mr. Touré foresaw this. Maybe he naively thought that President de Gaulle was offering the former French Colonies a real choice between independence and continued membership in the French community. Actually, it turned out to have been a dare—"Stay with us, or else." The or else proved to be shattering.

France asked her friends not to be hasty in recognizing the new Republic of Guinea. We complied. But what about the enemies? They were more astute. Recognition came instantly from the Soviet Union and all the satellite band, and by the time France brought herself to accept the situation in January 1959 and we and the British had done so, too, protocols with the Eastern bloc had already been signed and trade was underway.

The small arms for which the new Guinea Government first turned to us to maintain order, and which we refused, were at once given by Czechoslovakia. Now police in Czech uniforms and with Skoda side arms guard the airport and the ministries.

Has the free world made no countermove to block or even hamper this piecemeal Soviet conquest? None that can be noticed. The United States sent, from its agricultural surplus stores, 3,000 tons of flour and 5,000 tons of rice. The food was sold at low prices throughout the country, was recognized as having come from America and was appreciated. Unfortunately, the first installment of our rice arrived in Conakry the same day that the full amount of a 5,000-ton gift of Communist Chinese rice was received.

The Guinea Government has made English a second compulsory language in the schools. Since it has not enough teachers for this (or for any other branch of education) it asked us for some English teachers. We have managed to supply one. She is devoted and successful, but what is one when dozens are needed?

We shall open a USIS library in Conakry as soon as the books arrive (more than a year after we recognized the new Republic). We also have offered limited technical assistance, but with strings that the Guinea Government finds unacceptable—especially since it can get any amount of Communist technical assistance for the asking and without apparent conditions.

The fact is that, although the American system of government serves us pretty well at home, it is completely helpless to deal with a whole series of situations confronting us around the world. Guinea happens to be the latest striking example.

Congress is unwilling to trust the Executive with sufficient free funds to enable it to act promptly in critical situations. It refuses to appropriate ahead so that there can be long-term planning. When Government funds are available, they are swathed in redtape, one of the purposes of which is to insure the competitive position of American private business.

But what is the competitive position of American business in a country like Guinea today? Are American private firms supposed to compete on equal terms with the Soviet Government and the satellite governments who are prepared to take any necessary loss on each individual transaction in order to gain the ultimate prize?

In the absence of private initiative, what would our Government do? It might send out a task-force to investigate the local need, and as a result might propose aid agreements in line with Congressional requirements. While this was going on, the Soviet Government would have sent the goods, the construction materials and the needed technicians.

What can we do? As our Government is organized (or disorganized) today, the answer is, "Nothing." This was a surprising discovery for President Touré when he visited the United States, and it has not ceased to surprise literate Guineans since.

The fact has also been noted in the neighboring States formerly associated with Guinea in French West Africa. Since De Gaulle so severely chastised Guinea for deserting France, he has realized the necessity of finding a new road to independence for those other states with French ties. In negotiations in Paris last month, the Mali Federation (Senegal and Sudan) achieved full sovereignty while remaining within the French Community. This new relationship will be the model for the Ivory Coast, Dahomey and the other Republics that formerly constituted French West Africa.

There are wise and moderate leaders in several of the new republics—Félix Houphouet-Boigny in the Ivory Coast, for example, and Léopold Senghor in the Mali Federation. But though they are vigorous and sincere they belong to a political generation which will be increasingly on the defensive in the competition for African minds against nationalist leaders who have gone whole hog for political independence. If Sékou Touré succeeds in the tremendous gamble in which (perhaps to his surprise) he finds himself engaged, his example will be contagious, even though the cost has been to become increasingly dependent on the Communist bloc.

Moreover, Moscow's psychological appeal can be supported by force. Arms sent in from the Soviet bloc can be distributed, without anyone noticing, to extremists and revolutionaries throughout the region.

The colonial procedure of the European powers was to carve out separate regions: "Divide and conquer." The Soviet technique is the opposite. It aims to get control of individual leaders and the economies of individual states and to spread out from those beginnings: "Conquer and unite." We seem helpless to devise and operate any policy to meet the threat. Sometimes it seems that Washington isn't even looking.

Mr. FULBRIGHT. Mr. President, I desire to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FULBRIGHT. Is it now in order to act on the committee amendment?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

Mr. LAUSCHE and Mr. AIKEN addressed the Chair.

Mr. FULBRIGHT. Mr. President, I merely wish to make the point that the question now is on agreeing to the committee amendment in the nature of a substitute.

The PRESIDING OFFICER. The Senator is correct.

Mr. FULBRIGHT. I will yield to the Senator from Ohio, if he wishes to have me yield for a question. I am ready to yield the floor.

Mr. AIKEN. Mr. President, I should like to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. AIKEN. If the committee amendment in the nature of a substitute is agreed to, will the substitute be subject to amendment?

The PRESIDING OFFICER. The amendments have to be agreed to before the committee amendment is agreed to.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. AIKEN. I do not have the floor.

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. FULBRIGHT. Mr. President, I will be glad to yield for a question. I am ready to yield the floor.

I yield to the Senator from Ohio for a question, if the Senator wishes to have me do so.

Mr. LAUSCHE. First, I wish the Senator from Arkansas would yield to me for a brief statement in connection with the speech of the Senator from Arkansas.

Mr. FULBRIGHT. I yield for that purpose.

Mr. LAUSCHE. I wish to join with the Senator from Arkansas in his statement that the fulfillment by the Foreign Relations Committee members of their responsibility to the country is a most difficult one.

By that I mean that it is a simple matter to be in the Senate and to make recommendations of such a nature as to bring acclaim and approval from the recipients of gifts which the Government makes, or the construction of projects that bring economic enrichment to local communities. On the other hand, it is a most difficult task to fearlessly and courageously perform a duty that is related to the security of the country, when the general citizenry is not adequately acquainted with the significance of what is being done.

I have no question that the Senator from Arkansas would gladly recommend to the Senate that the entire program be discontinued and the $4 billion saved if that course were compatible with the security of our Nation.

Mr. FULBRIGHT. The Senator is exactly correct.

Mr. LAUSCHE. I am quite certain that every other member of the Foreign Relations Committee would gladly and proudly come before the Senate and say, "Let us abandon the program," if that were feasible and in the interest of our Nation. But we know that it cannot be done, and for that reason I commend the Senator from Arkansas for the forthrightness and directness with which he has recommended to the Senate what its course should be for the protection of our Nation.

Mr. FULBRIGHT. I thank the Senator for his commendation.

Mr. LAUSCHE. Now I should like to ask the Senator a question. Will the Senator from Arkansas repeat what the advice has been of persons in the Federal Government in high echelon offices, since the end of World War II, concerning the advisability of carrying on the program of mutual security?

Mr. FULBRIGHT. I said in my statement that every President and every Secretary of State without exception—and all members of the Joint Chiefs of Staff—have recommended this program as being vital and indispensable to the security of this country.

I know that President Eisenhower, in his public statements—and he has said the same thing with greater vehemance privately—has said that this program is absolutely indispensable to the security of the country. He has felt that he must stress this program, because other programs in the field of domestic armament—for example, the supplying of planes for our own Air Force—have an appeal to many people. But this particular program has been subject to the misunderstanding to which the Senator has referred.

This is a bipartisan program. I know of nothing about it that could be considered remotely as being partisan. Republican Presidents and Secretaries of State, as well as Democratic Presidents and Secretaries of State, uniformly, have unanimously recommended this program as being indispensable to our security.

Mr. LAUSCHE. Then it is a fact, is it not, that President Truman and Secretary of State Acheson, both Democrats; President Eisenhower and Secretary of State Dulles, now deceased, as well as Mr. Herter, all Republicans; and members of the Joint Chiefs of Staff, both Republicans and Democrats, uniformly recommend the indispensability of this program for the protection of our country.

Mr. FULBRIGHT. The Senator is exactly correct. There is no question whatever about it. I could go further and name Vice President NIXON, and every Secretary of Defense, both Democratic and Republican, since World War II. They have all recommended this program. In fact, they have even recommended more. As I have said in my statement, the Bureau of the Budget has cut departmental recommendations already, before this proposal came before us, by $750 million.

Mr. LAUSCHE. Is it also fair to state that those persons having in their possession the most secret information and the most detailed knowledge of the problems confronting our country internationally, have recommended the continuance of this program?

Mr. FULBRIGHT. The Senator is absolutely correct.

Mr. LAUSCHE. I should like to ask a further question with respect to the economic good which comes to the workers of our country and our manufacturers. Do I correctly understand the Senator from Arkansas to state that, with respect to the things which we send abroad, there are 500,000 Americans employed?

Mr. FULBRIGHT. The best estimate we have had—and we have had such estimates on more than one occasion—is to the effect that of the vast amount of materials which are sent abroad, about 80 percent are purchased in this country, generating, it is believed, about 500,000 jobs. Practically all the purchases for military assistance, for which this year $2 billion is asked, with the exception of a small amount, are made in this country. Such purchases include hardware, tanks, airplanes, missiles, guns, munitions, ships, and other military weapons. They are purchased here. The manufacture of those materials creates the jobs to which I have referred.

Mr. LAUSCHE. With respect to the development of military personnel, does this program help us in having available in friendly countries, such as Taiwan, Korea, Turkey, and other countries, trained men for service in case of an emergency?

Mr. FULBRIGHT. The Senator is exactly correct. The Senator has described the situation very well.

There are two main categories. Not only is the program indispensable for the maintenance of our own troops in several of the countries the Senator has mentioned, together with some additional ones, but also it is even more important and more essential to the maintenance of the armies of our allies.

For example, the quite large Turkish army could not possibly be supported by the economy of Turkey. For this program both military assistance and defense support are absolutely necessary if we are to have a Turkish army in being, poised and ready to repel an invasion.

The truth of the matter is that during the period since the so-called cold war began, this has been our first line of defense, the main deterrent to any incursion by the Soviet bloc.

Mr. LAUSCHE. Will the Senator from Arkansas express his opinion as to what the comparative strength would be, reflected by the number of troops available among our allies, and those available in the Communist bloc, if the military personnel of Taiwan, Korea, Turkey, and other countries were eliminated, and the comparison were made merely on the basis of the troops which we have in the United States and those which the Communist bloc has?

Mr. FULBRIGHT. Unfortunately, I have not calculated that comparison. The figures are available. I do not have them at my fingertips at the moment. I know that in certain cases we have estimated the number of military personnel available. In Taiwan the number is about 600,000. Some 20 divisions are in Korea and another 20 in Turkey. Those are very substantial forces. They would not be in being at all without this program, and our forces would be so small as to be utterly useless.

Mr. LAUSCHE. Is it not a fact that even with the availability of those troops among our friendly allies, the aggregate number of military men among our allies is less than the number in the Communist bloc, and if we were to eliminate the nations which I have mentioned, the comparison would be frightening?

Mr. FULBRIGHT. Oh, yes, indeed; that point is absolutely clear. It would be completely overwhelming from the standpoint of personnel advantage of the Communist bloc if we did not have the personnel of our allies. There is no doubt about it at all.

Mr. LAUSCHE. Mr. President, will the Senator from Arkansas state what

the Soviet has been doing in instances where it feels that conditions are right and that there is an opportunity for it to establish itself, as it did in Guinea? What has been its general policy around the world?

Mr. FULBRIGHT. In the last 2 or 3 years, there has been a clear, new trend developing of the Soviets moving into this field. One of their large programs has been in India, where they have built a million-ton steel mill, which has just been completed at a cost of $200 million.

Most of their assistance consists of loans on favorable terms. The terms are much lower in interest than we are providing, although they are short-term loans. Many of them run for 10 or 12 years. In India there is a very large program.

In Egypt, Aswan Dam, as you know, was turned down by us. The Russians have undertaken the first stage. Only a month or so ago they pledged themselves to the second stage. That is estimated to involve over $200 million.

Only recently, as we all know, Cuba has come into the picture. Perhaps that is the most recent example. The Russians have offered to the Cubans $100 million in credit and to purchase, over 5 years, I believe, a million tons of sugar every year.

They have gone into Indonesia recently. One story stated that the Russians offered a credit of $500 million. Finally it was agreed to offer $200 million in credit.

They offered a very large credit to Yugoslavia. However, they fell out about it, and that offer was withdrawn. That indicates clearly the political motives of these loans. Afghanistan has been mentioned. At one time the Russians gave Afghanistan a $100 million credit. I have already mentioned Guinea.

Mr. LAUSCHE. How about Ethiopia?

Mr. FULBRIGHT. The Russians are now in process of extending credit in Ethiopia. We have had testimony only recently of their moving in there. An Associated Press story answers the Senator's question much better, and for the RECORD, I should like to read it at this point. It reads:

SOVIET EXPORT TO RED CHINA TALLIED BY U.N.

UNITED NATIONS, N.Y.—A United Nations report has shown that in 4 years the Soviet Union shipped Communist China equipment for complete industrial plants valued officially at almost $750 million.

The U.N.'s "Yearbook of International Trade Statistics—1958" listed such shipments for 1955 through 1958 at 2,933 million rubles, or $733,375,000 at the official exchange rate of 4 rubles to the dollar.

That was well over half of Soviet exports of equipment for complete industrial plants to all countries for that 4-year period. The grand total was 4,952,600,000 rubles, or $1,238,150,000.

The Soviets exported such equipment valued at $175,125,000 to Poland, $51,825,000 to Bulgaria, $38,625,000 to Rumania, $11,775,000 to Czechoslovakia, $9,175,000 to Hungary, and $1,725,000 to the Egyptian region of the United Arab Republic.

The exports to Egypt rose steeply from negligible in 1955 to $25,000 in 1956, $475,000 in 1957, and $1,225,000 in 1958. To East Germany, they were $1,150,000 in 1956, $1,250,000 in 1957, and negligible the other 2 years.

The yearbook is rare among U.N. statistical publications in that it gives a picture of trade relations within the Communist world.

Within the sphere, it showed Communist China to be the Soviet Union's leading customer for petroleum products and the Soviet Union's chief supplier of minerals, wool, meat, vegetable oils, raw tobacco, and clothing.

It brought out that in 1958, the latest year covered, the Soviet Union had an unfavorable balance of trade with Communist China—that is, it did not sell China enough to pay for what it bought from China. The Soviet Union also had unfavorable balances with Bulgaria, Czechoslovakia, and East Germany—but favorable balances with Hungary, North Korea, Outer Mongolia, Poland, and Rumania.

In 1957, the Soviet Union's trade balance with the whole world was favorable. But in 1958, it turned unfavorable, partly because of bigger imports of such consumer goods as food and clothing.

Mr. LAUSCHE. Mr. President, is it not a fact that the Soviet has been picking its spots, and wherever it finds a break between the United States and other nations, and it believes the field is fertile, it steps in?

Mr. FULBRIGHT. Yes.

Mr. LAUSCHE. I am now speaking of Cuba and Guinea and Egypt and Ethiopia, and I believe there is one other nation.

Mr. FULBRIGHT. India.

Mr. LAUSCHE. Afghanistan has had much aid, too. There is also Red China, which has had much aid.

Mr. FULBRIGHT. That is correct.

Mr. LAUSCHE. It is on that basis that the Committee on Foreign Relations takes the identical position that all of the leading officials in both the Republican and Democratic Parties have taken in the last 15 years about what we need to do to secure our country.

Mr. FULBRIGHT. The Senator is absolutely correct. I appreciate very much his contribution.

Mr. GORE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. GORE. I congratulate the Senator upon a very fine address and upon an even finer discharge of his responsibility in the highly important position which he occupies as chairman of the Foreign Relations Committee.

I have said on a number of occasions, and I wish to say again on the floor of the Senate, that the United States and the free world are very fortunate indeed that in this crucial time the able, courageous, brilliant, practical junior Senator from Arkansas occupies this position. I am particularly pleased and honored to serve on the committee of which he is chairman. I find his performance as chairman superb.

Mr. FULBRIGHT. Mr. President, I thank the Senator from Tennessee very much indeed for his gracious remarks.

The Senator from Tennessee has been very attentive on the committee. This is a very difficult time. Many of our members are candidates, and they are not always present. I appreciate very much indeed the assistance the Senator from Tennessee has given to the committee. He has made a fine contribution in many instances in the consideration of this very difficult subject. I certainly appreciate his assistance and his kind words.

I yield the floor.

The PRESIDING OFFICER (Mr. McGEE in the chair). The question is on agreeing to the committee amendment.

Mr. WILLIAMS of Delaware. Mr. President, I call up my amendment which is identified as "4–25–60–A." I offer it on behalf of myself and the Senator from Wisconsin [Mr. PROXMIRE].

The PRESIDING OFFICER. The clerk will state the amendment.

The Chief Clerk proceeded to state the amendment.

Mr. WILLIAMS of Delaware. Mr. President, the amendment has been printed and is already on the desk of each Senator; therefore, I ask that the amendment may be printed in the RECORD at this point and that its reading may be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, ordered to be printed in the RECORD, is as follows:

On page 19, between lines 20 and 21, insert the following:

"(a) Section 502, which relates to use of foreign currency, is amended as follows:

"(1) Subsection (b) is amended as follows:

"'(i) Insert after the word "expended" in the proviso the words "and the amounts of dollar expenditures made from appropriated funds in connection with travel outside the United States".

"'(ii) Amend the second sentence to read as follows: "Within the first sixty days that Congress is in session in each calendar year, the chairman of each such committee shall prepare a consolidated report showing the total itemized expenditures during the preceding calendar year of the committee and each subcommittee thereof, and of each member and employee of such committee or subcommittee, and shall forward such consolidated report to the Committee on House Administration of the House of Representatives (if the committee be a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Committee on Appropriations of the Senate (if the committee be a Senate committee or a joint committee whose funds are disbursed by the Secretary of the Senate).'"

On page 19, in lieu of lines 21 and 22, insert the following:

"(2) At the end of the section, add the following new subsection:".

Mr. WILLIAMS of Delaware. Mr. President, the amendment would change existing law to this extent: it would revise section 502(b) of the Mutual Security Act by inserting after the word "expended" in the proviso the words "and the amounts of dollar expenditures made from appropriated funds in connection with travel outside the United States."

In the second sentence it would strike out this language: "shall consolidate the reports of each member and employee of the committee and forward said consolidated report, showing the total itemized expenditures of the committee and each subcommittee thereof during the preceding calendar year."

In place of that language it would insert the following language: "shall prepare a consolidated report showing the total itemized expenditures during the preceding calendar year of the committee and each subcommittee thereof, and of

each member and employee of such committee or subcommittee, and shall forward such consolidated report."

The remainder of that paragraph would remain as presently written. It is as follows: "to the Committee on House Administration of the House of Representatives (if the committee be a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Committee on Appropriations of the Senate (if the committee be a Senate committee or a joint committee whose funds are disbursed by the Secretary of the Senate). Each such report submitted by each committee shall be published in the CONGRESSIONAL RECORD within 10 legislative days after receipt by the Committee on House Administration of the House or the Committee on Appropriations of the Senate."

My amendment would merely require the submission to Congress of the amount of the expenditures for publication in the CONGRESSIONAL RECORD as is presently done in the consolidated report, except that it would show an itemized breakdown of expenditures of each Member.

I have said many times that travel abroad by a congressional committee, or by individual Members of Congress, or by representatives of the executive branch can and does serve a very constructive purpose.

With our Government spending billions of dollars in foreign currencies under the various foreign assistance programs, it is important that Congress have a firsthand knowledge of how these programs are being administered, and it is only proper that those trips which are made on official business be paid for by the U.S. Government.

However, just as in the case of the expenditures of funds for any other purpose, the taxpayers, who pay these costs, are entitled to an accounting. Under the present law, this accounting is done by the chairman of the committee reporting in a lump sum the expenditures of the various subcommittees with no breakdown as to the expenditures by the individual Members nor any breakdown as to what the expenditures represent.

In the foreign travel, very often the expenses of the trip are financed partly by direct dollar expenditures and partly by counterpart funds. The counterpart funds represent foreign currencies held by the U.S. Government. In all cases, however, whether the expenditures be in the form of directly appropriated dollars or counterpart funds, they represent money belonging to the American taxpayers, and the expenditures thereof should be accurately accounted for.

I am confident that the vast majority of congressional travel has been conducted as efficiently as possible, and I again emphasize that I believe that much good has come from many of these trips.

We would, however, be unrealistic if we did not recognize that there have also been cases of abuse, and it is these cases, regardless of how isolated they may be, which give all official travel a "black eye."

Therefore, to eliminate this unjust criticism and to place greater emphasis on the responsibility to render an accounting for these expenditures, as well as to give the taxpayers their deserved protection, I am offering this amendment to S. 3058, the mutual security bill, wherein it would be provided that all expenditures by the individual members of the respective committees or staffs must be fully itemized and automatically published in the CONGRESSIONAL RECORD.

This is similar to the amendment which I cosponsored a couple of years ago with the distinguished junior Senator from Kentucky [Mr. MORTON], and which was approved at that time by the Senate but was later rejected in conference.

Congress very properly demands that the executive branch shall render an accurate public accounting of their appropriated funds, and when such accounting has not been readily available the Department at fault has been very severely criticized.

There has been incorporated in the comparable bill approved by the House of Representatives—that is, the mutual security bill passed last week by the House—a special provision requiring that the executive branch make available to the Comptroller General's auditors all records relating to the operations or expenditures under the Mutual Security Act.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS of Delaware. I yield.

Mr. FULBRIGHT. Did the Senator say just now that Congress requires the executive branch to render a similar accounting of its travel expenses?

Mr. WILLIAMS of Delaware. In the bill passed by the House and which will be in conference, it requires the executive branch to make available its records for auditing by the Comptroller General.

Mr. FULBRIGHT. Is that accounting already required by law?

Mr. WILLIAMS of Delaware. That the executive branch render an accounting? Yes, but there has been some dispute between the General Accounting Office and the executive branch.

Mr. FULBRIGHT. Does the President render an itemized accounting? Has any mention been made of the cost of his recent trip to South America?

Mr. WILLIAMS of Delaware. The cost of the President's trips is not published, as the Senator knows, but I am sure the records are available if you request them.

Mr. FULBRIGHT. I understood the Senator from Delaware to say that it is.

Mr. WILLIAMS of Delaware. I said that the bill passed by the House contains an item which provides that the expenditures made by the executive branch under this program shall be subject to audit by the Comptroller General. That provision is in the bill passed by the House.

As I understand it, it is the law now that the expenses of the President are subject to audit by the Comptroller General. The expenditures of Members of Congress for foreign travel, however, are not subject to audit by the Comptroller General nor are they published. That is what I am trying to correct.

Mr. FULBRIGHT. They are not published?

Mr. WILLIAMS of Delaware. Expenditures of the executive branch are available if the Senator wants to get them and make them public.

Mr. FULBRIGHT. Is the Senator certain about that?

Mr. WILLIAMS of Delaware. I have never heard of anyone who wished to get them being turned down.

Mr. FULBRIGHT. Has the Senator ever requested them?

Mr. WILLIAMS of Delaware. No. Has the Senator from Arkansas?

Mr. FULBRIGHT. Has the Senator ever heard of anybody who requested them?

Mr. WILLIAMS of Delaware. The fact that no one has requested them does not mean that they would be denied to anyone who might wish to examine the reports or make them public. If the Senator from Arkansas desires to ascertain what the costs on any particular occasion are he should properly direct his request to the executive branch.

Mr. FULBRIGHT. The Senator said, I believe, that the members of the executive branch do just what he seeks to do by his amendment. I do not believe that is quite true.

Mr. WILLIAMS of Delaware. I said that members of the executive branch should be held accountable for all their expenditures. It is quite possible that at a later date I shall be discussing expenditures which have been made in the executive branch and which, in my opinion, have not been properly accounted for. That, however, has nothing to do with this proposal.

There already is a law which provides that the expenditures of the executive branch shall be accounted for and that the Comptroller General shall have the right to audit the accounts. It is true, there has been some dispute between the executive branch and the Comptroller General concerning this authority, but that dispute even is settled by language included in the bill passed by the House last week.

There is incorporated in the House bill a provision that the Comptroller General shall always have the right to audit these expenditures. I think that should be done. Those funds are public funds. Why should they not be audited? By the same token why should we not render an accounting of our expenditures for foreign travel?

Mr. FULBRIGHT. I am not saying they should not be. I simply want to get the record straight. Are the travel accounts of the Vice President published in the same way in which the Senator is asking that travel accounts of Senators be published?

Mr. WILLIAMS of Delaware. They are not as far as this section applies.

Mr. FULBRIGHT. Why not?

Mr. WILLIAMS of Delaware. Because section 502(b)——

Mr. FULBRIGHT. The Senator has said that the executive branch is subject

to the same regulation as the legislative branch.

Mr. WILLIAMS of Delaware. If the record of expenditures of any trip is desired, it is my understanding that it can be obtained. As the Senator has admitted there is no one who has asked for that information and has been refused.

Section 502 of the Mutual Security Act specifically provides that expenditures of counterpart funds by Members of Congress need not be publicly accounted for, nor are they audited by the Comptroller General. This is the only instance I know of in which public funds can be spent by either Congress or the executive branch in which such a cloak of secrecy exists. I am trying to remove that cloak of secrecy.

If the Senator from Arkansas wants to amend another law correcting any other similar abuse that he might know of I shall support him.

Mr. FULBRIGHT. It is true that under existing law the information must be published in the CONGRESSIONAL RECORD. The only difference is that each individual amount is not published, just as the amounts spent by the President and the Vice President are not published. I think the Senator from Delaware, to be consistent, ought to require them to publish the individual accounts. The Senator is a great exponent of this principle. I would not undertake to rewrite his amendment. I am only raising the question of its consideration.

Mr. WILLIAMS of Delaware. Section 502(b) in no way refers to the executive branch.

Mr. FULBRIGHT. It does not refer to dollar expenditures, either.

Mr. WILLIAMS of Delaware. No, but my amendment does.

Mr. FULBRIGHT. This question should be raised, in my opinion, in connection with the legislative appropriation bill or some other bill. I have no objection to the principle of the amendment. I am personally willing to abide by it. I do not believe this bill is the proper vehicle to use for such an amendment. That is what I told the Senator in committee. The Mutual Security Act is not a proper instrument to reform practices of Senate committees. Why does he not put his amendment on an appropriation bill?

Mr. WILLIAMS of Delaware. The bill deals with section 502, and this is the most appropriate place.

Mr. FULBRIGHT. It goes beyond section 502.

Mr. WILLIAMS of Delaware. The amendment could not be offered to an appropriation bill, as the Senator from Arkansas well knows.

Mr. FULBRIGHT. Why not?

Mr. WILLIAMS of Delaware. Because it is legislation and would be subject to a point of order.

Mr. FULBRIGHT. Has there ever been an appropriation bill to come before the Senate which was not full of legislation?

Mr. WILLIAMS of Delaware. It takes a two-thirds vote to suspend the rules in order to get adopted on an appropriation bill an amendment containing legislation.

This procedure requires only a majority vote. I am offering the amendment where I believe I shall have the easiest opportunity to have it adopted.

In my opinion the very least we in Congress can do is to demonstrate to the executive branch by adopting the amendment, that we are willing to live by our own code. We are demanding—and as one Member of Congress, I shall continue to demand—that the executive branch make an accounting of that which they have spent. At a latter date, I shall discuss some of those expenditures.

This amendment, however, deals with the expenditure of money by Members of Congress. Let us settle that question first. As far as I know this is the only instance in which Congress has said money can be spent but no public accounting will be made. I think it is time we remove the cloak of secrecy from such expenditures.

The American taxpayers are entitled to an accounting of any spending of public funds. We must not overlook the fact that these foreign currencies, owned by our Government, really belong to the American taxpayers.

Once again I emphasize that in my opinion much good has come from some of the congressional travel abroad and that for these official trips the Government should pay the legitimate expenses of the traveling Members of Congress. The adoption of this amendment would merely require a public accounting of our official expenditures when we travel abroad.

The argument has been made that to keep a record of their expenditures would entail too much work for Members of Congress.

Existing law requires that the average taxpayer itemize on his tax return all expenses for which he claims tax deductions as business expenses. The same requirement applies to corporations. If it is not too burdensome for the taxpayers to keep records, it should not be too much trouble for Members of Congress. The very least the Members of Congress can do when they spend money which belongs to the taxpayers is to make a similar accounting.

Mr. President, I shall request a yea-and-nay vote on the question of agreeing to this amendment, but I do not believe that the number of Senators present at this time is sufficient to make possible the entering of an order for the yeas and nays. Therefore, I will be requesting a quorum call.

Mr. FULBRIGHT. Mr. President, will the Senator from Delaware yield?

The PRESIDING OFFICER (Mr. McGEE in the chair). Does the Senator from Delaware yield to the Senator from Arkansas?

Mr. WILLIAMS of Delaware. I yield.

Mr. FULBRIGHT. I think the RECORD should be kept straight; so in that connection I ask unanimous consent to have section 502 of the existing Mutual Security Act printed at this point in the RECORD.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

SEC. 502. USE OF FOREIGN CURRENCY.—(a) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, proceeds of sales made under section 550 of the Mutual Security Act of 1951, as amended, shall remain available and shall be used for any purposes of this Act, giving particular regard to the following purposes—

(1) for providing military assistance to nations or mutual defense organizations eligible to receive assistance under this Act;

(2) for purchase of goods or services in friendly nations;

(3) for loans, under applicable provisions of this Act, to increase production of goods or services, including strategic materials, needed in any nation with which an agreement was negotiated, or in other friendly nations, with the authority to use currencies received in repayment for the purposes stated in this section or for deposit to the general account of the Treasury of the United States;

(4) for developing new markets on a mutually beneficial basis;

(5) for grants-in-aid to increase production for domestic needs in friendly countries; and

(6) for purchasing materials for United States stockpiles.

(b) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, local currencies owned by the United States shall be made available to appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946, as amended, and to the Joint Committee on Atomic Energy and the Joint Economic Committee and the Select Committees on Small Business of the Senate and House of Representatives for their local currency expenses: *Provided*, That each member or employee of any such committee shall make, to the chairman of such committee in accordance with regulations prescribed by such committee, an itemized report showing the amounts and dollar equivalent values of each such foreign currency expended, together with the purposes of the expenditure, including lodging, meals, transportation, and other purposes. Within the first sixty days that Congress is in session in each calendar year, the chairman of each such committee shall consolidate the reports of each member and employee of the committee and forward said consolidated report showing the total itemized expenditures of the committee and each subcommittee thereof during the preceding calendar year, to the Committee on House Administration of the House of Representatives (if the committee be a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Committee on Appropriations of the Senate (if the committee be a Senate committee or a joint committee whose funds are disbursed by the Secretary of the Senate). Each such report submitted by each committee shall be published in the Congressional Record within ten legislative days after receipt by the Committee on House Administration of the House or the Committee on Appropriations of the Senate.

(c) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, if the President finds that participation by the United States in an internationally financed program to preserve the great cultural monuments of the Upper Nile would promote the foreign policy of the United States he may, subject to the approval of the Congress, use

or enter into agreements with friendly nations or organizations of nations to use, for this purpose, foreign currencies owned by the United States which have been generate under this Act or under the Agricultural Trade Development and Assistance Act of 1954, as amended, in the countries in which the program is to be carried out, but the value of foreign currencies so used shall not exceed an amount equal to 33⅓ per centum of the total cost of such program.

Mr. FULBRIGHT. Mr. President, I wish to make clear that the remarks of the Senator from Delaware may, erroneously, be interpreted by some as dealing with a matter of great secrecy. However, section 502 was included in the law last year, on the recommendation of the committee; and it requires that an itemized accounting be made of the total expenditures for all purposes.

I now read from subsection (b) of section 502:

Within the first sixty days that Congress is in session in each calendar year, the chairman of each such committee shall consolidate the reports of each member and employee of the committee and forward said consolidated report, showing the total itemized expenditures of the committee and each subcommittee thereof during the preceding calendar year, to the Committee on House Administration of the House of Representatives (if the committee be a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Committee on Appropriations of the Senate (if the committee be a Senate committee or a joint committee whose funds are disbursed by the Secretary of the Senate).

That part of the law requires such reporting, and there is that reporting.

The remarks of the Senator from Delaware would seem to imply that some different procedure is followed in this case. But, as I have already pointed out, the procedure here is no different from the procedure followed by the executive branch. The President does not publish such information. He merely reports it to the Comptroller General. Similarly, we report the information to the committee.

Furthermore, many of the members of my committee who have made foreign trips have voluntarily published, in their reports to the Senate, an itemized account of their expenditures.

The Senator from Delaware has referred to expenditures by businessmen and to the income tax returns of businessmen. In their income-tax returns, they itemize those expenditures—just as Senators itemize these expenditures in their reports to the committee. But income tax returns are not published. So I think it unfair to suggest that there is any great amount of secrecy in this connection. The Senator from Delaware knows that the income-tax returns of businessmen are not published. The Finance Committee may examine the returns, under certain circumstances; but they are not made public.

All these accounts are furnished to the chairman of the committee, and are consolidated; and the totals are published in the RECORD. I do not see anything wrong with the existing practice. No one is trying to fool anyone.

Similarly, when the Vice President makes a trip abroad, he is not required to publish an itemized account of his expenditures. He reports them, just as we do.

I have no objection to the amendment, except that it should not be applied so narrowly. If such an amendment is to be adopted, it should apply all the way across the board, and should also apply to the President and to the Vice President.

Mr. WILLIAMS of Delaware. The only difference from existing law is that the itemized list furnished by the individual Members will, in turn, be submitted to the Congress rather than consolidated in one, overall return. That is the difference.

Mr. FULBRIGHT. That is correct.

Mr. WILLIAMS of Delaware. I have not said that the income tax returns of businessmen are published. I said the American businessmen have to keep and file the same records that this amendment would require of Members of Congress when they are spending public money. If this record keeping is not too burdensome for the taxpayers it will not hurt us.

Mr. FULBRIGHT. But all income tax returns are kept secret, in that they are not published. Is that not true?

Mr. WILLIAMS of Delaware. Yes; but the Government can examine the returns and can find fault with them if it wishes to do so.

On the other hand, when Members of Congress make foreign trips and, in that connection, spend money which belongs to the American taxpayers, why should such expenditures be kept under a cloak of secrecy? Why should we not render a public accounting?

Mr. FULBRIGHT. Then why does not the Senator from Delaware provide in the amendment that all income tax returns be published?

Mr. WILLIAMS of Delaware. Let us not be ridiculous, Mr. President. If the Senator from Arkansas is opposed to the amendment let him vote against it. He knows that this amendment does not even mention tax returns.

Mr. FULBRIGHT. But I think the Senator from Delaware is leaving an implication that is not warranted by the existing facts; and I believe the RECORD should be accurate and clear.

Mr. WILLIAMS of Delaware. So far as I know, no other branch of the government is treated in the way that the Members of Congress voted to treat themselves when by means of a provision which was included in a former Mutual Security Act, it was provided that we could spend these foreign currencies and not have to render any public accounting.

Mr. FULBRIGHT. But in my opinion that is not so; I think that is an incorrect interpretation of what the law now provides.

Mr. WILLIAMS of Delaware. If the Senator from Arkansas believes that the law now provides for full disclosure, why should the Senator object to the adoption of this amendment?

Mr. FULBRIGHT. I am not objecting to it; I merely say there should be complete disclosure all across the board, if that is to be the procedure called for by the amendment.

Mr. BUTLER. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS of Delaware. I yield.

Mr. BUTLER. Is there any different treatment if a congressional committee makes a foreign trip and, in that connection, uses funds which it obtains from the chairman of the committee? In the other case, the committee uses counterpart funds.

Mr. WILLIAMS of Delaware. Under this amendment there is no difference in the expenditures of dollars or foreign currencies.

Mr. BUTLER. Is there any difference now?

Mr. FULBRIGHT. No.

Mr. BUTLER. Then why does not every Member of Congress submit a statement of his dollar expenditures the minute he returns to the United States? But we have never done that.

Mr. WILLIAMS of Delaware. Several Members have submitted itemized reports to the Congress. This amendment will require them all to do so.

Mr. BUTLER. But does any rule require that that be done?

Mr. WILLIAMS of Delaware. No. Not under present law.

Mr. BUTLER. In other words, if a Member of Congress spends American dollars in paying his expenses on such a trip, when he returns to this country he informs his committee chairman of what he has spent; and the committee chairman sends that itemized account to the General Accounting Office, and it is there a public record. The same is true if counterpart funds are used. So I do not see the difference.

If there is to be a requirement that an itemized statement of the expenditures be made public, by stating it on the floor of the Senate, why not make a similar requirement in the case of American dollars that are spent by Senators in paying the expenditures required in connection with such trips?

Mr. WILLIAMS of Delaware. Under existing law both are treated alike, and the same is true under this amendment. Neither are made public under existing law.

Mr. BUTLER. But no one has ever said there was any secrecy in connection with the dollar expenditures made by a Senator who took such a trip. However, there seems to be a suggestion of some sort of mystery about the use of counterpart funds for such purposes.

I agree with the Senator from Arkansas; I think the public are entitled to have this information. But when a Senator, upon his return, submits a detailed account to the committee chairman, and when that account is available to every member of the committee, I think that constitutes sufficient accounting.

Mr. FULBRIGHT. That is in accordance with existing law.

Mr. WILLIAMS of Delaware. Existing law requires that that information be available to the committee chairman and presumably, to the other members of the committee, but to no one else. But existing law does not require that an audit of those expenditures be made by the Comptroller General. Nor are they available for public examination.

This amendment would require the publishing of these records. In other words it would require an accounting.

Even in an instance where the State Department might see a glaring abuse in the spending of these funds by a Member of Congress or a staff member it could not question it.

Mr. PROXMIRE. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS of Delaware. I yield.

Mr. PROXMIRE. I wish to commend the Senator from Delaware for submitting the amendment. I believe it is an excellent one. Certainly it is time for the American people to have these facts.

Under the circumstances, I think the Members of Congress perhaps should be encouraged to travel abroad even more. But, at the same time, the American people have a perfect right to know where their tax funds are going.

I think the Senator from Delaware is performing a very valuable service by offering the amendment.

Mr. WILLIAMS of Delaware. I thank the Senator from Wisconsin.

Mr. LAUSCHE. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. I wish to associate myself with the amendment of the Senator from Delaware. I assume that the expenditures for the trips which have been made have been justified. If they have been justified, there should be no question about a willingness to submit open reports for examination by the public.

I find a difference between asking private enterprise, through its directors and officials, to submit reports—theirs is not public business—and asking a Senator or Representative who goes abroad as the agent of the American people to submit a report. The people are his principal, and the principal is entitled to have an accounting from his agent. It is, in effect, a position of trust, and that position requires an open disclosure of what expenditures have been made and how they have been justified while the agent is acting in behalf of his principal.

I think that we shall be serving ourselves and the people of the United States in letting them know that Senators have no qualms or fears about disclosing fully, in open daylight, what their activities have been and what their expenditures were when they made trips to foreign countries.

Mr. WILLIAMS of Delaware. I agree with the Senator from Ohio, and I thank him for his contribution. I point out again that four or five members of the Foreign Relations Committee, and perhaps other Members of the Senate whose activities have escaped my attention, have made an accounting similar to that which is proposed. All the comment I have seen in the press editorially was complimentary with respect to those trips and the accounting.

I think much good has been rendered by many of these trips. I support them. I think official trips should be financed by the U.S. Government.

As the Senator from Ohio has pointed out, when those trips are on official business the people are willing to pay for them, but they are entitled to an accounting. That is all we are asking in this amendment. This is public money we are spending. We are in an unjustifiable position when we criticize the executive branch of the Government for imposing a cloak of secrecy on their expenditures when we impose one on ourselves.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. WILEY. I am trying to ascertain if we can arrive at some kind of agreement. A few moments ago the Senator was about to suggest the absence of a quorum. I do not know whether we shall be able to secure a quorum.

The minority leader, the Senator from Illinois [Mr. DIRKSEN], has just come into the Chamber. I asked him to come. I wondered if we could go over until tomorrow morning at 12, with the understanding that at a certain hour the Senate would vote on the amendment. I wonder if such an arrangement is agreeable.

Mr. FULBRIGHT. Mr. President, if the Senator will yield, it is agreeable to me, if the Senator wants to make such a unanimous-consent request.

Mr. WILLIAMS of Delaware. Whether we vote tonight or go over until tomorrow does not make any difference to me.

Mr. FULBRIGHT. I cannot speak for the majority leader, but I do not suppose he has any objection.

Mr. DIRKSEN. Mr. President, I should like to direct attention to the fact that, among other things, we have a joint meeting scheduled for tomorrow. I made a suggestion that the Senate meet at 11 o'clock tomorrow morning, so action on the bill could be completed early in the day. If the Senator will bear with me for a moment, I think it is only appropriate to acquaint the majority leader with the situation.

Mr. WILLIAMS of Delaware. Perhaps we could get enough Senators in the Chamber to have the yeas and nays ordered.

Mr. President, if it is satisfactory, in order to avoid suggesting the absence of a quorum, I ask unanimous consent that the yeas and nays be ordered on this amendment.

Mr. WILEY. My only thought was whether a quorum could be obtained. The suggestion of the absence of a quorum would result in pulling Senators from here and yonder.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Delaware?

Mr. FULBRIGHT. Mr. President, is the request that the yeas and nays be considered as having been ordered?

Mr. WILLIAMS of Delaware. Yes.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and it is so ordered.

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. Mr. President, I will leave it to the leadership whether we should have a vote tonight or carry it over until tomorrow.

Mr. FULBRIGHT. Mr. President, if the Senator will yield to me for a moment, while he is inquiring, I wish to make clear my position. I think the existing law, insofar as the responsibilities of the Foreign Relations Committee are concerned, deals with foreign currencies. The Senator is quite correct; I have no objection to the Senator's effort to make this information public. I certainly have no personal interest in it, because I do not particularly like to travel. This provision may give me an excuse not to travel any further, because I prefer to stay at home.

The Senator is injecting the requirement in regard to dollars. This proposal does go beyond the present specifics that relate to the Foreign Relations Committee. It involves the Appropriations Committees and all the other committees which traditionally have used dollars. I do not object to the reports being made public. I only object to the Senator from Delaware using the instance he referred to as an example of itemized reporting, because it is not an appropriate example, since the reports are not published.

My only comment with regard to the President and Vice President is that those reports are not published, and the Senator is not proposing that they be published. I do not object to the President's spending what is necessary on these trips. It is perfectly proper. But I can see how it might not be very good public relations to have this information published, because, in the eyes of farmers and other persons who are having a hard time making a living, to read that $5 or $10 million were spent on a trip to South America might not be appreciated by them.

The discussions that were had did not primarily relate to the requirement of reporting. There is a requirement of reporting in the present law. If it is desired to provide that the Comptroller General be included in the examination, I am sure there is no objection. The real objection is the fact that persons who do not understand the requirements of going to a foreign country, and requiring the Committee on Foreign Relations to examine into and investigate foreign operations, especially in the military field, would never comprehend the need for it if that information were published on an individual basis.

Whether the amendment is adopted or not does not make any difference to me. I am perfectly willing to vote for the proposal but I was not willing to accept it in the committee because I thought it was the responsibility of the whole Senate to consider it, and the Members of this body ought to know what they were doing. This proposal will require that the itemized individual expenditures of every Member be published in the RECORD. I think this information will be used adversely in many instances, when individual Members should not be prejudiced in that way, because most of the trips are taken at the request of the Senate or interparliamentary groups or other authorities which are perfectly legitimate.

The press is likely to refer to any trip as a junket. They refer to every trip, no matter what the necessities are, as a junket, and that is the background

against which this kind of publication will be announced.

Nevertheless, I am willing to vote for the amendment. I shall vote for it.

Mr. WILLIAMS of Delaware. Mr. President, I am not suggesting this amendment with the thought of holding any Member of Congress up to ridicule. I have said before, and I repeat, that I think it will serve a constructive purpose. I know of no better way to emphasize that the Senator from Arkansas is unduly alarmed than by pointing out that five, and perhaps six, members of the Foreign Relations Committee have already done what this amendment proposes be done by every Member of the Congress; namely, publish their expenditures of public funds; and not one of them has been criticized in the press so far as I have seen.

On the contrary, I have seen many comments in the press complimenting these Members of the Senate. I do not think the press is going to blow up out of proportion the fact that some Senator has taken an official trip where the trip is paid for by the Government and a proper accounting rendered. On the other hand, if in the accounting something turns up which cannot be justified to the taxpayers we may be criticized, and perhaps—only perhaps—there are some expenditures which deserve criticism.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Colorado [Mr. CARROLL], the Senator from Delaware [Mr. FREAR], the Senator from Rhode Island [Mr. GREEN], the Senator from Alaska [Mr. GRUENING], the Senator from Arizona [Mr. HAYDEN], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Hawaii [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Utah [Mr. MOSS], the Senator from Montana [Mr. MURRAY], the Senator from Georgia [Mr. RUSSELL], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

I also announce that the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. MORSE], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

I further announce that, if present and voting, the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from West Virginia [Mr. BYRD], the Senator from Colorado [Mr. CARROLL], the Senator from Delaware [Mr. FREAR], the Senator from Rhode Island [Mr. GREEN], the Senator from Alaska [Mr. GRUENING], the Senator from Arizona [Mr. HAYDEN], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Hawaii [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Oregon [Mr. MORSE], the Senator from Utah [Mr. MOSS], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Georgia [Mr. RUSSELL], the Senator from Alabama [Mr. SPARKMAN], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BEALL] and the Senator from Utah [Mr. BENNETT] are necessarily absent.

The Senator from New York [Mr. JAVITS] is absent by leave of the Senate to attend as Chairman of the Economic Committee a meeting of the NATO Parliamentarians Conference at Strasbourg, France.

The Senator from New Hampshire [Mr. COTTON] and the Senator from Nebraska [Mr. HRUSKA] are absent on official business as members of the Board of Visitors of the U.S. Military Academy.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from North Dakota [Mr. BRUNSDALE], the Senator from Kansas [Mr. CARLSON], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Kansas [Mr. SCHOEPPEL] are detained on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Nebraska [Mr. HRUSKA], and the Senator from New York [Mr. JAVITS] would each vote "yea."

The result was announced—yeas 68, nays 0, as follows:

YEAS—68

Aiken	Fong	Martin
Allott	Fulbright	Monroney
Bartlett	Goldwater	Morton
Bible	Gore	Mundt
Bush	Hart	Muskie
Butler	Hartke	Pastore
Byrd, Va.	Hennings	Prouty
Cannon	Hill	Proxmire
Capehart	Holland	Randolph
Case, N.J.	Jackson	Robertson
Case, S. Dak.	Johnson, Tex.	Saltonstall
Church	Johnston, S.C.	Scott
Clark	Jordan	Smathers
Cooper	Keating	Smith
Curtis	Kerr	Stennis
Dirksen	Kuchel	Talmadge
Dodd	Lausche	Thurmond
Douglas	Lusk	Wiley
Dworshak	McCarthy	Williams, Del.
Eastland	McGee	Williams, N.J.
Ellender	McNamara	Young, N. Dak.
Engle	Magnuson	Young, Ohio
Ervin	Mansfield	

NAYS—0

NOT VOTING—32

Anderson	Green	McClellan
Beall	Gruening	Morse
Bennett	Hayden	Moss
Bridges	Hickenlooper	Murray
Brunsdale	Hruska	O'Mahoney
Byrd, W. Va.	Humphrey	Russell
Carlson	Javits	Schoeppel
Carroll	Kefauver	Sparkman
Chavez	Kennedy	Symington
Cotton	Long, Hawaii	Yarborough
Frear	Long, La.	

So the amendment of Mr. WILLIAMS of Delaware was agreed to.

Mr. CASE of South Dakota. Mr. President, I desire to offer an amendment, to incorporate language in the bill, which appeared in the bill last year as it was reported to the Senate. It was adopted by the Senate, but it was not agreed to in conference. It is the so-called foreign language amendment, which would make it possible for teachers of foreign languages to receive scholarships which would be supported by counterpart funds.

I have shown the amendment to the Senator from Arkansas [Mr. FULBRIGHT]. It was his amendment last year. I thought it had merit last year, and I should like to see it included in the bill this year.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk proceeded to state the amendment.

Mr. CASE of South Dakota. Mr. President, it is a little lengthy to read. On my statement that it is a verbatim copy of the language which was included in the Senate bill last year, I suggest that it be not read and be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 26 after line 8, insert the following:

"SEC. 607. Public Law 885, Eighty-fourth Congress (70 Stat. 890, 5 U.S.C. 170f–170t), which provides certain basic authority for the Department of State is amended by adding at the end thereof a new section reading as follows:

"'SEC. 16. (a) The Secretary of State is authorized to make grants to individuals who are engaged in teaching any modern foreign language, in an elementary or secondary school or an institution of higher education. Such grants shall be for the purpose of enabling such individuals, during the summer period when their services as teachers are not required, to obtain in an area, region, or country in which the language they are teaching is commonly used, advanced training in such language and training in other fields needed for a full understanding of such area, region, or country. The Secretary shall consult with the Secretary of Health, Education, and Welfare with respect to the selection of individuals for grants under this section and the establishment of standards for their selection, and the Secretary of State may make arrangements for the performance by the Department of Health, Education, and Welfare of such functions under this section as may be mutually agreeable to the Secretary of State and Secretary of Health, Education, and Welfare.

"'(b) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the Secretary of State, in carrying out the provisions of this section may use currencies, or credits for currencies of any foreign government (1) held or available for expenditure by the United States and not required by law or agreement with such government to be expended or used for any other purpose, or (2) made available under the provisions of subsection (c) of this section.

"'(c) In order to make additional funds available for the purposes of this section the Secretary of State is authorized to enter into an executive agreement or agreements with any foreign government for the use of currencies, or credits for currencies, of such government deposited pursuant to agreements entered into under section 142(b) of the Mutual Security Act of 1954 or section 115(b)(6) of the Economic Cooperation Act of 1948, or any other Act and not required by agreement with such government to be expended or used for any other purposes.'"

Mr. FULBRIGHT. Mr. President, I have told the Senator from South Dakota that I am strongly in favor of the amendment and am willing to accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. CASE].

The amendment was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. KUCHEL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR ADJOURNMENT UNTIL 10 O'CLOCK A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 10 o'clock a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I remind the Senate that we shall have a joint session tomorrow. I hope we can have a relatively short morning hour and that we can then proceed to the consideration of any amendments that may be offered to the pending bill, with the hope that we can reach a vote on the passage of the bill sometime tomorrow. I should like to have all Members to be prepared for a yea-and-nay vote tomorrow.

MUTUAL SECURITY ACT OF 1960

The Senate resumed the consideration of the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. DOUGLAS. Mr. President, on behalf of myself and the Senator from New York [Mr. KEATING], the Senator from Montana [Mr. MANSFIELD], the Senator from Oregon [Mr. MORSE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Pennsylvania [Mr. SCOTT], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Pennsylvania [Mr. CLARK], the Senator from Hawaii [Mr. FONG], the Senator from Alaska [Mr. BARTLETT], the Senator from Michigan [Mr. HART], the Senator from Alaska [Mr. GRUENING], the Senator from Ohio [Mr. YOUNG], the Senator from North Dakota [Mr. BRUNSDALE], the Senator from New Jersey [Mr. CASE], the Senator from California [Mr. KUCHEL], the Senator from New Jersey [Mr. WILLIAMS], the Senator from Connecticut [Mr. DODD], and the Senator from Wisconsin [Mr. PROXMIRE], I desire to submit an amendment, which I ask to have printed and to lie on the table, and printed in the RECORD.

I should like to explain the effect of the amendment. It would include a statement of policy to reaffirm American support for freedom of navigation in international waterways, including the Suez Canal, opposition to economic warfare, including boycotts, blockades, and restrictions of the use of international waterways.

Its purpose is to express the will of Congress, but to be applied as the President may determine to be proper.

I may say that this statement of policy was recommended by the House Foreign Affairs Committee, was adopted by the House, and appears in the House bill. Unfortunately, it is not included in the bill being considered by the Senate.

The sponsors of the measure believe that the House committee makes it clear that this statement refers to the blockade of the Suez Canal. The amendment leaves the prime authority for the application of the policy in the hands of the President, but it lays down a clear statement of an important international principle which will reinforce the administration in its efforts to secure freedom of navigation through this all-important waterway, and to promote the cause of peace in the Middle East.

Mr. President, I believe I have already asked that the amendment be printed in the CONGRESSIONAL RECORD. Additional sponsors will have an opportunity to join in sponsoring the amendment during the session tomorrow. I ask that the amendment may be received and printed and lie on the table, and that the text of the amendment may be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, the amendment will be received and printed, and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

On page 11, between lines 8 and 9, insert the following:

"STATEMENT OF POLICY

"SEC. 2. Section 2 of the Mutual Security Act of 1954, as amended, which is a statement of policy, is further amended by adding at the end thereof the following:

"'(f) It is the sense of the Congress that inasmuch as—

"'(1) the United States favors freedom of navigation in international waterways and economic cooperation between nations; and

"'(2) the purposes of this Act are negated and the peace of the world is endangered when nations which receive assistance under this Act wage economic warfare against other nations assisted under this Act, including such procedures as boycotts, blockades, and the restriction of the use of international waterways;

assistance under this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be administered to give effect to these principles, and, in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this Act or arising under the Agricultural Trade Development and Assistance Act of 1954, as amended, these principles shall be applied, as the President may determine, and he shall report on measures taken by the administration to insure their application.'"

THE ITEM VETO ON APPROPRIATION BILLS

Mr. WILLIAMS of Delaware. Mr. President, on February 3, 1959, the junior Senator from New York [Mr. KEATING] introduced Senate Joint Resolution 44, which proposes a constitutional amendment to give the President of the United States the power to disapprove specific and individual items in general appropriation bills.

The need for an item veto, which this amendment would provide, has long been recognized by many of us in the Congress as a necessary and important step forward in the constant battle to reduce or eliminate unneeded expenditures of public funds.

I was pleased to join with several other Senators in cosponsoring Senate Joint Resolution 44 with the Senator from New York. The junior Senator from New York has long been an advocate of the item veto, and sponsored similar legislation on several occasions when he served in the House of Representatives.

The Senator has recently written an excellent article citing both the great need and the advantages to be derived from the adoption of an item veto provision in our Constitution. The article first appeared in the Harvard Law Record of February 11, 1960, and was later reprinted in the Federal Bar News of April 1960. I commend it to all Senators as a fine statement of the need for this legislation, and request unanimous consent to have the article printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ITEM VETO: A NEEDED REFORM

(By Senator KENNETH B. KEATING)

(The Honorable KENNETH B. KEATING received his LL.B. from the Harvard Law School in 1923. Since that time he has been in the practice of law in Rochester, N.Y. During World War II, he rose from major to brigadier general in the Army, serving in both the European and Asian theaters. He was a Member of the House of Representatives for the 80th through the 85th Congresses. In 1958 he was elected to the U.S. Senate as a Republican from New York. He presently serves in that capacity.)

For nearly a century the pros and cons of granting the President of the United States the authority to veto specific items in appropriation bills approved by Congress have been considered. While there have been sporadic bursts of interest in this subject, there has never been the consistent and sustained backing for this proposal that its potential importance justifies.

I am hopeful the present national concern about our fiscal stability, combined with the successful experience of our States in utilizing this valuable tool, will soon lead to affirmative action by Congress and the American people on the item veto. In my opinion, no step is longer overdue, no reform could reap greater benefits for individual taxpayers, and no single change in our governmental processes could save more money more wisely.

Article 1, section 7, of the Constitution provides that "every bill which shall have passed the House of Representatives and the Senate, shall, before it becomes a law, be presented to the President of the United States; if he approves he shall sign it, but if not he shall return it."

This veto power of the President, as it was written into the Constitution and as he must exercise it today, places a serious and unnecessary handicap on the Chief Executive. It is an "all or nothing at all" decision that confronts him each time a bill appears on his desk.

With regard to appropriation measures, this situation is especially unfortunate, and it is only in connection with money bills that the item veto has been seriously considered. It is not at all unusual for an appropriation

bill to contain many separate items listing the goods or services or functions of the Government along with their costs. Yet the President, in spite of his experience and knowledge of the agencies which will receive and spend this money, and his overall budgetary responsibilities, is given no opportunity to exercise discretion on a selective basis.

At a time when the budget of the United States, even after it has been carefully prepared with the utmost savings in mind, is bound to be enormous, this situation is difficult to understand or justify. The President must accept the wasteful and extravagant items along with the useful and necessary ones, or he gets nothing by vetoing the entire bill.

The item veto, therefore, is not just some abstruse or trifling governmental device of interest only to political scientists and constitutional lawyers. It should be the concern of every American citizen, who has a right to expect of his Government nothing less than the most efficient use of every dollar he contributes in taxes.

Adoption of the item veto by the Federal Government would not mean the introduction of some new and untried process into the Federal Government processes. On the contrary, the longtime use of this power in the American States constitutes one of the most persuasive arguments for its application at the national level.

The item veto first appeared in America during the Civil War in the Constitution of the Confederate States. Its record of adoption by the States following this conflict is most impressive. As new States entered the Union, and as older ones revised their constitutions, the item veto for the Governor became an established feature. With the admission of our newest States, Alaska, and Hawaii, both of which provide for the item veto, the number of States with this provision now totals 42.

TRIBUTE

No State which has granted its Governor this power has ever subsequently withdrawn it. This is an impressive tribute to its practical value and a striking refutation to the arguments of those who fear its abuse.

The use of the item veto and the strong endorsement it has been given by many Governors constitute the most eloquent testimony to its real worth. Data presented at hearings before the House Judiciary Committee in 1957 on the item veto fully support this statement. For example, in Pennsylvania, where records have been kept with some care, appropriations were reduced by almost $166 million through item vetoes between 1931 and 1957. Another $133 million was cut out through vetoes of entire bills. The fact that the larger amount was removed through the selective type of veto is an interesting commentary on its usefulness.

These figures do not, of course, prove that the Governor was always right and the legislature always wrong. What they do show is the effect of having a second look, a second type of expertness, backed up with the power to act, at work in the appropriations process. They show the positive effects of vigorous application of this power.

As might be expected, the item veto has drawn much enthusiastic support from the Governors themselves. Former Governor Driscoll, of New Jersey, wrote: "Although the * * * item veto * * * will be sparingly used, the Governor attaches great significance to it." Former Governor of Illinois, Frank Lowden, said: "It has been helpful in keeping expenditures down." Former Governor Burnquist, of Minnesota, called the item veto "a very wise provision." The former Governors of Iowa, Indiana, Nevada, and North Carolina, States not conferring the right to veto items, expressed regret that this power was denied them. In the course of congressional hearings in 1954, every single Governor who responded answered "Yes" to the question: "In your opinion, has the item veto been a desirable feature of your State government?"

In a statement prepared for the 1957 hearings, Prof. Frank W. Prescott, who has written extensively on the item veto, concluded: "Upon the basis of State experience and in some of the larger cities which have the item veto, the writer would endorse the item veto in principle for the President of the United States."

Many other distinguished political scientists share these views. One of the greatest of them, Lord Bryce, in his classic study, "The American Commonwealth," wrote: "Such an amendment [the item veto] is desired by enlightened men. * * * Small as the change seems, it adoption would * * * save the Nation millions of dollars a year, by diminishing wasteful expenditure on local purposes."

More recently, Sydney Hyman has written in his volume, "The American President," that the item veto "would enable the President to pinpoint the pernicious details of legislation and appropriations, and veto them while he signed what remained. At present he has to throw the baby out with the bath water, or drink the bath water in order to embrace the baby."

PRESIDENT COMPELLED

In his recent book, "The American Presidency," Prof. Clinton Rossiter wrote:

"There is one final defect in the relations of President and Congress of which we should take careful note. * * * I refer to his lack of any power to veto separate items in the overstuffed appropriations bills presented for his approval. The President often feels compelled to sign bills that are full of dubious grants and subsidies rather than risk a breakdown in the work of whole departments."

Opponents of the item veto at the Federal level have expressed their fear that it would give the President too much power—power gained at the expense of Congress. As a general principle, I am in sympathy with the belief that we must zealously guard legislative responsibilities and prerogatives.

In the case of the item veto, however, I do not believe this to be a compelling argument. In the first place, both the beginning and the final responsibility for appropriations would continue to remain right where the Constitution placed them—with Congress. The custom would continue of initiating spending bills in the House Appropriations Committee; and the power of Congress to override an item veto, as well as the veto of an entire bill, would, of course, be complete and final.

It has also been contended that the item veto would weaken congressional responsibility for appropriations. This position can hardly be maintained. It is true that the President's role in the appropriations process would be enlarged, but this would be desirable since practically all Federal money is spent by the executive agencies which are responsible to him and for which he is responsible. But, as I have already indicated, ultimate authority at both the start and the finish with regard to these appropriations would still be with Congress. Any loss of responsibility by Congress in this matter would, therefore, be the result of a forfeiture by Congress itself rather than a forced deprivation.

The idea of the item veto has been attacked on the grounds that it would upset the system of checks and balances and weakens the doctrine of the separation of powers. There is little reason in theory to worry about this, and the extensive experience in the States with the item veto helps refute this charge. The fundamental authority and responsibility of both the President and Congress would remain unchanged. The President surely would find his hand strengthened with respect to appropriations, but not more than is necessary to execute properly the duties placed upon him by the Constitution.

The advantages of the item veto are obvious and compelling. It would reduce public expenditures substantially by making possible the reduction or elimination of many unnecessary "pork barrel" appropriations. The item veto could snip out the verbiage without rejecting the rest of the bill.

RIDERS ELIMINATED

In short, the item veto should go a long way toward establishing a fair and rational method for determining appropriations, and it could serve to expedite the entire process as well. All of this says nothing of the great potential value of the item veto as a means of doing away with riders, those pieces of substantive legislation having nothing whatsoever to do with appropriations, but attached, nevertheless, to appropriations bills because only in this way can they be passed. Most riders are usually too weak to stand alone, but under the present arrangement the President must either approve them or wipe out the whole appropriation.

Many of our Presidents have deplored their lack of authority to veto separate items. Buchanan did so in his first annual message to Congress. Grant asked for a constitutional amendment to effect the change. Hayes chafed under the weight of undesirable riders he had to take with the appropriations. Arthur and Taft both urged the adoption of the item veto, as did Franklin D. Roosevelt.

In the second volume of his "Memoirs," former President Truman wrote: "One important lack in the presidential veto power * * * is the authority to veto individual items in appropriation bills." In one letter to the Speaker of the House, President Eisenhower urged that Congress "* * * help assure continuing economy * * * take action that will grant the President the power now held by many State Governors to veto specific items in appropriation bills." He has repeatedly voiced his backing for this proposal in messages to Congress.

If the item veto is to be given to the President, how should it be done? This action could take any of two forms which are now before Congress. They are the Executive order method and the amending of the Constitution.

The Executive order plan would grant to the President by statutory law what is, in effect, the item veto. The phrasing of the bill before the present Congress (S. 2373), of which I am cosponsor, very well explains its purpose: "That the President is authorized to eliminate or reduce by Executive order, in whole or in part, any appropriation or appropriations made by an act or joint resolution. * * *" Under this measure the public interest becomes the primary criterion by which the President would be guided. His decision would stand unless either House of Congress passed a resolution within 60 days stating that it does not favor this action.

This method is similar to that which controls Presidential reorganizations of the executive branch agencies. As applied to appropriation vetoes, it has a precedent in an amendment offered to a money bill by Representative Woodrum in 1938. At that time a careful legal memorandum was written justifying the constitutionality of this approach.

If given no other choice, I should be happy to support the Executive order method because I am convinced that any form of the item veto would be of great value. My preference, however, is for an amendment to the Constitution to achieve this objective. Senate Joint Resolution 44, which I introduced in February 1959, and which is similar to measures I sponsored for years as a member of the House of Representatives, calls for the adoption of such an amendment. The proposal is straightforward and clear. Although the issue is of great importance, it can be expressed in unmistakable language, and that is what I have tried to do.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For Department Staff Only)

Issued April 29, 1960
For actions of April 28, 1960
86th-2d, No. 77

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HIGHLIGHTS: Senate debated mutual security authorization bill. House committee voted to reject bill to include certain Labor Department employees under assault statutes. House agreed to conference report on Commerce appropriation bill. House agreed to Senate amendments to bill expanding authority to make additional watershed protection loans.

SENATE

1. MUTUAL SECURITY. Continued debate on S. 3058, the mutual security authorization bill (pp. 8216-23, 8234-63). Agreed, 45 to 25, to an amendment by Sen. Douglas to express the sense of Congress that the United States favors freedom of navigation in international waterways and economic cooperation between nations, and that assistance under the Mutual Security Act and Public Law 480 shall be administered to give effect to these principles. Agreed, 40 to 29, to a motion by Sen. Johnson to table a motion by Sen. Douglas to reconsider the vote on this amendment (pp. 8246-59). Also pp 8202-3

2. SOIL CONSERVATION. Sen. Symington commended the work of the Soil Conservation Service on its 25th anniversary, stating that "their accomplishments in conserving our natural resources have been of benefit to all our citizens and will be even more important to future generations of Americans." pp. 8207-8

3. WATER RESOURCES; SURPLUS COMMODITIES. Sen. Mansfield inserted an address by Commissioner of Reclamation, Floyd E. Dominy, "Water in Our Future," discussing the importance of irrigation and water resource development, and stating that with regard to the question as to the advisability or necessity of adding acreage to our irrigated areas in the present time of crop surpluses "there is no

long-lasting or critical surplus problem in meats, vegetables, and fruits" which "are among the principal products of irrigated farms." pp. 8204-6

4. CREDIT; FINANCE CHARGES. A subcommittee of the Banking and Currency Committee voted to report to the full committee with amendment S. 2755, to assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with the extension of credit. p. D350

5. SENATE MEMBERSHIP. Several Senators paid tribute to the public service of Sen. Murray upon announcement of his retirement from the Senate after this session, and commended his work in natural resource development and conservation. pp. 8223-33

6. LEGISLATIVE PROGRAM. Sen. Johnson announced that the policy committee had cleared the following bills for consideration: H. R. 9861, import duty on istle or Tampico fiber; S. 1857, standards for export of grapes and plums; S. 3387, appropriation authorizations for AEC; S. 1781, cooperative research programs between Federal Government and colleges; H. R. 10550, extension of Export Control Act; S. 2575, health benefits program for retired Federal employees; H. R. 8241, retirement benefits for reemployed Members of Congress; and H. R. 8289, accelerating the retirement date for certain retirees (pp. 8242-3). He also stated that for the remainder of this session the Senate may have late sessions and Saturday sessions, and it was necessary that action be taken this session on housing, pay raises for Federal employees, and minimum-wage legislation (p. 8243).

HOUSE

7. WATERSHEDS. Agreed to the Senate amendments to H. R. 4781, to amend the Watershed Protection and Flood Prevention Act to provide that its loan provisions shall be applicable to the 11 major watershed projects included in the watershed improvement programs authorized by the Flood Control Act of 1944. (p. 8271) This bill will now be sent to the President.

The Conservation and Credit Subcommittee of the Agriculture Committee voted to report H. R. 11615, to amend section 4 of the Watershed Protection and Flood Prevention Act so as to authorize Federal assistance on watershed projects prior to acquisition of land, easements, or rights-of-way as needed in connection with works of improvements installed with Federal assistance. p. D352

8. APPROPRIATIONS. Granted the Appropriations Committee until midnight, Friday, Apr. 29, to file the report on the Department of Defense appropriations bill for 1961. pp. 8270-1

9. TREASURY-POST OFFICE APPROPRIATION BILL. Disagreed to Senate amendments to this bill H. R. 10569; conferees were appointed. Senate conferees have been appointed. p. 8271

10. COMMERCE DEPARTMENT APPROPRIATION BILL. Agreed to the conference report on this bill H. R. 10234. p. 8284

11. PERSONNEL. The Judiciary Committee, in executive session, voted to table H. R. 10188, to include certain officers and employees of the Department of Labor within the provisions of sections 111 and 1114 of title 18 of the U. S. Code relating to assaults and homicides. p. D353

have consulted with many other people and organizations concerned with this problem. These consultations, our studies, and months of painstaking work have culminated in the drafting of a bill which has been ready for introduction for the past several weeks. Because of the civil rights debate, the press of other important business before the Senate, and my own work in connection therewith, it has not been possible to place the bill before the Senate until now.

I am happy to say that Representative MOORHEAD has already introduced my bill in the House of Representatives.

This bill in no way conflicts with the second amendment to the Constitution, as the purpose of this clause, as stated by the Constitution and court interpretations, was to insure the continuation of and to render possible the effectiveness of a militia. The right to bear arms is not affected by filing shipping reports.

This is a reasonable and good bill, geared to meet the most outstanding problem in the area of firearms control. This bill will bring control where, at present, there is chaos. This bill is designed to inform local authorities of the existence in their community of weapons in the hands of juveniles, and to aid them in the enforcement of their local laws. I, therefore, introduce this bill for appropriate reference, and, Mr. President, I ask unanimous consent that a memorandum which I have prepared concerning this proposed legislation be printed in the RECORD at this point.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the memorandum will be printed in the RECORD.

The bill (S. 3436) to amend the Federal Firearms Act so as to regulate more effectively the shipment of firearms, known as pistols and revolvers, in interstate commerce, and thereby to assist local jurisdictions in controlling the use of such weapons by juveniles and irresponsible persons, introduced by Mr. HENNINGS, was received, read twice by its title, and referred to the Committee on the Judiciary.

The memorandum presented by Mr. HENNINGS is as follows:

MEMORANDUM RE THE NEED FOR FIREARMS CONTROL LEGISLATION

This measure simply requires the filing of shipping reports on all interstate shipments of pistols and revolvers. It is not intended as a measure to prevent or limit the legitimate use of these firearms; indeed, I would be opposed to such legislation. However, investigations by the Subcommittee To Investigate Juvenile Delinquency have indicated a serious problem of law enforcement, which results from the accessibility of weapons to juveniles, particularly pistols and revolvers which are available through mail-order channels. At the present time, local authorities often find it difficult to enforce local firearms laws, because of a lack of information about firearms shipments into their communities.

The measure I am presenting today will set up a reporting procedure for such shipments. The Treasury Department will be a central depository for shipping information and will make such information available to local communities.

Under the present Federal firearms law, dealers and shippers must keep records on interstate firearms shipments for at least 10 years, but this is of little value since there is no central information center. It is obviously impossible for the local authorities to check with each and every shipper in the country to find out if a weapon was sent into their jurisdiction and yet they need this information if they are to enforce their local laws for purchasing and possessing firearms. Any local community which feels that it has no need for such firearms information is not affected by this bill since it need not request it from the Treasury Department. This information, however, would be available for them, if desired. The value of such registration information is shown by a report which I received from Col. Jeremiah O'Connell, former chief of police of the city of St. Louis, Mo., who was able to trace a weapon to its owner and solve the murder of a police officer. Without information of the type called for under this legislation, the murderer may never have been apprehended. Colonel O'Connell said:

"I am very much in favor of this particular legislation. A few months ago one of our officers was shot, during the commission of a holdup in a tavern. He later died as results of his wounds. Later a car was found abandoned a short distance from the scene and a revolver was found in same. In a matter of hours, we were able to trace this particular gun through several dealers in various States and finally to St. Louis.

"Further investigation here as to ownership, etc., played a major part in the solution of this crime, and the subsequent life sentences to both participants."

The bill provides the following:

Section 1 requires that persons who cross a State line and after procuring a pistol or revolver return to their home communities, report to the Treasury Department their names and addresses as well as a description of the weapon. They are given 5 days within which to make their report. However, if the crossing of a State line occurs in the course of a trip or a vacation, reporting is not required if the weapon is returned to its original point of departure within 90 days. The first section of the bill also incorporates a definition of "unserviceable," and constitutes a means whereby the conversion of athletic starter pistols into deadly handguns can be controlled.

These ingenious devices are imported by the thousands with solid, unbored, removable barrels. A simple operation permits such pistols to be transformed into lethal weapons by the substitution of a regular pistol barrel for the harmless solid one. To indicate the problem that these weapons have created, I would like to quote from the testimony of the Honorable Stephen Kennedy, commissioner of police, and James Liggett, chief of detectives, of New York City, given before the Senate Subcommittee To Investigate Juvenile Delinquency in our hearings in New York last September, as follows:

"Firearms dealers, we learned, were engaged in importing a cheap starter pistol from West Germany. Now this was done purely on an economic basis and as far as I can ascertain it is legal in every respect. There is no question about that at all.

"The completed weapon is sent in two shipments. One shipment contains a revolver with a plugged up barrel that is detachable and is imported as a Colt type revolver incapable of being fired.

"That is in quotes. While another shipment contains the bored barrel for such revolver, the rifle barrel. The importations are made under license issued by the Internal Revenue Department, and proper records are made of all transactions.

"As I said before, it is perfectly legal in every respect. The dealers then employ either their own licensed gunsmiths or by contract obtain other licensed gunsmiths to detach the plug barrel and screw in the appropriate bored barrel, the rifle barrel, thereby converting the parts into a workable lethal firearm. One of the products is known as Rohn and it is made of the poorest metal or plastic-type substance, and it is advertised in newspapers and magazines as being sold for anywhere from $6.50 to $8 or $10, I have forgotten the exact amount.

"But it is within the pocketbook range of the young person. That is the thing that is disturbing about it. Now these things come in as starter pistols and I didn't know we had about 80,000 starters in this country. If you would care to see one of those I have one here with a ballistics man who would be very happy to demonstrate it for you.

"Senator HENNINGS. We will be glad to see it.

"Mr. KENNEDY. Chief, will you bring up that starter pistol?

"These things when they are advertised in the newspapers and magazines really are attractive to the average young person even when the person hasn't got evil designs in their use.

(Chief of Detectives James Liggett.)

"Senator HENNINGS. We are very glad to have you here, Chief.

"Will you just briefly tell us about this?

"STATEMENT OF JAMES LIGGETT, CHIEF OF DETECTIVES, NEW YORK CITY

"Mr. LIGGETT. This is manufactured in West Germany, and it is brought to this country allegedly as a starter's pistol, and it should discharge a .22 blank cartridge. Now this particular barrel that I hold here has a solid base at the end of the barrel.

"We have a hole here in the upper part of the so-called barrel to eject the gases and are usually the construction of a starter's pistol. Now this when it arrives in New York arrives in this fashion and constructed and has all of the appearance of a starter's pistol and it is not in violation of law in New York State to possess the same, nor does it require registration in the Federal jurisdictions as well.

"However, in a separate shipment there is forwarded a rifle barrel which may be substituted for this block barrel."

Section 2 of the bill would require that all dealers, shippers, and importers of pistols and revolvers report to the Treasury Department a description of any handgun sent in interstate commerce together with the name and address of the recipient of the weapon.

Section 3 of the bill authorizes the Secretary of the Treasury to provide to local authorities, upon their request, reports as to the weapons sent into their jurisdictions as well as the names and addresses of the recipients.

Local authorities must have the means to protect the public from brutal and deadly attacks by unrestrained youths and adults who today wield pistols and revolvers, as well as other dangerous weapons.

I do not maintain that this bill will completely prevent the use of firearms in juvenile crimes. It is not a cure-all for what is a serious and complex problem; but it is a necessary step to enable local authorities to control the use of these weapons by irresponsible persons.

I am introducing for appropriate reference this bill which will amend the Federal Firearms Act, and will provide a means by which local authorities may more effectively do their job.

MUNICIPAL ARTS COUNCIL FOR DISTRICT OF COLUMBIA

Mr. MORSE. Mr. President, I introduce, for appropriate reference, a bill providing for a Municipal Arts Council for the District of Columbia.

First, this bill would establish for the District of Columbia a Municipal Arts Council for the purpose of furthering cultural activities in the Nation's Capital.

Operating within the District of Columbia Recreation Board, the Arts Council would include representatives from the major art fields of music, drama, dance, literature, architecture, photography, graphic and craft arts.

The 21 individuals on the council would be appointed by the District Commissioners from local organizations and educational institutions where programs in these fields are carried on.

The District of Columbia Recreation Department, established in 1942, receives about $2.7 million a year for its activities. Of this amount, only about $16,000 is earmarked for the arts, nearly all of it going for the Watergate concerts, with Local 161 of the Federation of Musicians putting up an equal amount. The rest of the money goes for sports activities.

I think it is long past time for Congress to give equal emphasis to the arts in Washington, D.C. This council would help accomplish that purpose.

Second, my bill embraces the set-aside of one mill from each District of Columbia tax dollar for cultural activities as provided in the bills introduced in the House last year by Representative McDOWELL and in the Senate by the Senator from Montana [Mr. MURRAY].

This set-aside would provide about $175,000 a year for such programs.

It seems to me that to use such funds to best advantage, there should be an advisory council with special interest and knowledge in this field.

There is some prospect that a Federal Advisory Council on the Arts may be set up to act in the same capacity for national cultural programs.

However, we need such a council, too, for the city of Washington, and that is what my bill proposes.

It is not enough that Washington should be the political capital of the United States. We must accompany political leadership with cultural leadership if we are to make this city a true national capital.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3437) to provide for the establishment of a municipal arts council representative of local nonprofit organizations and institutions, including educational organizations and institutions, in the District of Columbia with active programs in the arts, to set aside for such local cultural activiites 1 mill out of each $1 of tax revenue of the government of the District of Columbia, and for other purposes, introduced by Mr. MORSE, was received, read twice and by its title, and referred to the Committee on the District of Columbia.

PRESENTATION OF GOLD MEDAL TO ROBERT FROST

Mr. SALTONSTALL. Mr. President, on behalf of myself, and the Senators from Vermont [Mr. AIKEN and Mr. PROUTY], I introduce, for appropriate reference, a bill to authorize the President of the United States to present a gold medal to Robert Frost in recognition of his poetry, which has so distinguished his own country and is now renowned throughout many parts of the world. Much of his philosophy is revealed by the words of his poetry, some of which I have paraphrased in the following paragraphs.

Robert Frost is a New England poet, in the profoundest sense of its natural setting and its people. His deep love and understanding of this region—his identity with his native area—provide the essence for his work. Frost's poetry refines the unique character of New England with language of universal meaning which can be understood across the land and across the seas—by men who have never seen bending birches stand out against a background of evergreen, an apple orchard covered by snow in winter, or a runaway colt.

Robert Frost's poetry communicates the wisdom of man and nature joined in a continuing struggle for life. His philosophy teaches the importance of toughness and gentleness combined, extolling the coexistence of the resolute strength of the farmer mending his stone wall following the ravages of winter and the sensitivity of the early-morning mower who leaves a touch of lovely flowers uncut. He praises the rugged individual and the rigors of country life, writing of those who choose the road less traveled by.

In a world beset by new anxieties and further challenges to the dignity of man, Frost's poetry returns us to the basic truths of life, reassures us of mankind's persistent humanitarianism, and replenishes us with simple reminders of Nature's helpfulness and beauty.

We have adequate precedent for such a medal, Mr. President, with similar awards in medicine to Jonas Salk, music to Irving Berlin, nuclear technology to Admiral Rickover. Robert Frost is now 86 years old, a visitor to the White House, consultant to the Library of Congress. He is mentioned perennially as a Nobel Prize recipient.

I hope my colleagues will join us in support of well-deserved recognition from the Nation's highest lawmakers and Chief Executive to Mr. Frost for his literary gifts to all of us.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3439) authorizing the President of the United States of America to present a gold medal to Robert Frost, a New England poet, introduced by Mr. SALTONSTALL (for himself, Mr. AIKEN, and Mr. PROUTY), was received read twice by its title, and referred to the Committee on Banking and Currency.

PROHIBITION OF EXERCISE OF CERTAIN JUDICIAL POWER RELATING TO ADMINISTRATION OF INTERNAL AFFAIRS OF LABOR ORGANIZATIONS

Mr. CAPEHART. Mr. President, on April 20, 1960, I suggested from the floor of the Senate that perhaps the Senate Committee on Labor and Public Welfare or the Committee on the Judiciary should study the problems arising from the unions' monitoring system and the lack of free elections.

The senior Senator from Oregon [Mr. MORSE] has stated that such hearings could not be held until legislation was pending before these committees.

Accordingly, I have been requested to introduce a bill with the hope that the matter will come before the appropriate committee for hearing.

I ask unanimous consent that the bill be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3444) to prohibit the exercise of certain judicial power in connection with administration of the internal affairs of labor organizations, introduced by Mr. CAPEHART, by request, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 14, 1959, Public Law 86-257 (73 Stat. 534; 29 U.S.C. 482(b) and the following) be amended by inserting at the end of section 482(b) thereof the following proviso:

"No court of the United States shall have jurisdiction to issue or continue in effect any judicial order appointing a receiver, trustee, master, monitor, or administrator, whether so denominated or otherwise, to manage or administer, or supervise the management or administration, of the affairs of any labor organization except that nothing contained herein shall be construed to prevent the appointment of a receiver for the sole purpose of preserving the funds, property, or assets of a labor organization pending the conduct of an election of officers or vote upon the removal of officers pursuant to section 482(b) hereof. The term 'labor organization' as used herein means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work."

AMENDMENT OF MUTUAL SECURITY ACT OF 1954—AMENDMENTS

Mr. LONG of Hawaii. Mr. President, on behalf of myself, and my colleague, the senior Senator from Hawaii [Mr. FONG], I submit an amendment, intended to be proposed by us to the bill—S. 3058—to amend further the Mutual Security Act of 1954, as amended, and for other purposes, which I ask to have printed and lie on the table.

The purpose of the amendment is to add a chapter VII to the mutual security bill to authorize a Center for Cultural and Technical Interchange Between East and West. The amendment embodies S. 3385, which I introduced on April 19 with 48 cosponsors.

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

Mr. GRUENING. Mr. President, I submit four amendments to the Mutual Security Act.

The first amendment—which bears the Roman numeral I—is patterned after the amendment submitted by me last year and relates to defense support, technical cooperation, and special assistance. It would require, with respect to these programs, the submission of firm budgets within 90 days after the Mutual Security Appropriation Act is enacted. It is printed at page 628 of the Senate hearings on the Mutual Security Act of 1960. On the following page you will find the letter to me from the Comptroller General of the United States.

You will note that the Comptroller General would go even further. He would curtail the President's use of the discretionary funds permitted him under sections 451(a) or 501 of the act. These I do not propose to curtail, although I must admit that the Comptroller General has made a strong case for some revision of those provisions also.

The second amendment—which bears the Roman numeral II—and is to be found on pages 628–629 of the hearings—relates to military assistance only. It would require the submission, during the annual requests for authorizations and appropriations, a clear and detailed explanation, on a country-by-country basis, of the force objectives toward the support of which military assistance is proposed to be furnished and other data, enumerated in the proposed amendment, all designed to let the Congress know clearly where we are going and how much it will cost to go there.

I call this amendment "the required planning" amendment.

This amendment has been suggested by the Comptroller General, as will be seen by his statement in the middle of page 629 of the printed hearings. Of this proposal, the Comptroller General has said:

> Although the Department of Defense has taken measures to project the program costs 3 years into the future, the present budget justification submitted to the Congress by the executive agencies does not contain information which we consider necessary to provide the Congress with a fully informed basis for appropriating funds and for reviewing program performance.

My third amendment—which bears the Roman numeral III—is exactly the language contained in the House-passed bill. I call my colleagues' attention to H.R. 11510—the House-passed Mutual Security Act of 1960—and to pages 10 and 11, where my proposed amendment appears as subsection (e).

It is a simple amendment.

It only requires for nonmilitary public works programs and projects abroad the application of the same standards as for domestic public works programs and projects as prescribed by the Bureau of the Budget.

My fourth amendment—which bears the Roman numeral IV—takes this concept one step further and requires specific congressional authorization for large foreign public works programs and projects and for such other large endeavors as airfields, highways, railways and so forth. "Large" is defined in the proposed amendment as any program or project the total cost of which will be $1 million or more.

Mr. President, I ask that these amendments be received and printed and lie on the table, and that the texts of these amendments be printed in the CONGRESSIONAL RECORD at the appropriate points in my remarks.

The PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table; and, without objection, the amendments will be printed in the RECORD.

The amendments are as follows:

Amend section 401 by adding at the end thereof an appropriately lettered new subsection as follows:

"Section 537(f) is amended to read as follows:

"'Within ninety calendar days after the enactment of the Act making appropriations for the fiscal year 1960 and subsequent fiscal years for carrying out the purposes of this Act, there shall be submitted to the cognizant committees of the House and Senate detailed budgets on a country-by-country basis setting forth, with respect to defense support, technical cooperation, and special assistance, the specific purposes in detail by amounts for which the funds available will be obligated during the respective fiscal year, and such funds shall be available only for the purposes thus specified: *Provided*, That this subsection shall not apply to funds affected by the use of sections 451(a) or 501 of this Act, or to reasonable variations in the use of funds within a country for purposes other than those specified in the detailed budgets.'"

Amend section 401 by adding at the end thereof an appropriately lettered new subsection as follows:

"Section 537(f) is amended to read as follows:

"'During the annual presentation to the Congress of requests for authorizations and appropriations of military assistance under this Act, there shall be submitted a clear and detailed explanation on a country-by-country basis of the force objectives toward the support of which such assistance is proposed to be furnished; the projected costs of equipping and the annual recurring costs of maintaining such force objectives, together with the estimated costs of present plans for modernizing such force objectives; an explanation of the degree to which such force objectives had been equipped, maintained, and modernized under programs already approved; the accomplishments to be achieved with the funds currently being requested, and estimates of the timephased costs for carrying out the remainder of the program.'"

Amend section 401 by renumbering subsections e, f, g, h, and i as f, g, h, i, and j, respectively. Insert after subsection (d) the following new subsection:

"(e) Section 517, which relates to completion of plans and cost estimates, is amended as follows:

"(1) Insert '(a)' immediately after "SEC. 517." Following section 517(a) as renumbered, insert the following new subsection:

"'(b) All nonmilitary flood control, reclamation and other water and related land resource programs or projects proposed for construction under titles I, II, or III (except section 306) of chapter II, under section 400, or under section 451 of this Act, shall be examined by qualified engineers, financed under this Act, in accordance with the general procedures prescribed in circular A–47 of the Bureau of the Budget, dated December 31, 1952, for flood control, reclamation and other water and related land resource programs and projects proposed for construction within the continental limits of the United States of America. In all cases the benefits and costs shall be determined, and a copy of the determination shall be submitted to the Speaker of the House of Representatives and the Foreign Relations Committee and the Appropriations Committee of the Senate. No such program or project shall be undertaken on which the benefits do not exceed the costs and which does not otherwise meet the standards and criteria used in determining the feasibility of flood control, reclamation, and other water and related land resource programs and projects proposed for construction within the continental limits of the United States of America as per circular A–47 of the Bureau of the Budget, dated December 31, 1952.'"

(Language contained in House-passed bill, H.R. 11510—"Mutual Security Act of 1960"—on page 10, lines 8 through 25 and on page 11, lines 1 through 10.)

Amend section 401 by renumbering subsections e, f, g, h, and i as f, g, h, i, and j, respectively. Insert after subsection (d) the following new subsection:

"(e) Section 517, which relates to completion of plans and cost estimates, is amended as follows:

"(1) Insert '(a)' immediately after 'SEC. 517.' Following section 517(a) as renumbered, insert the following new subsection:

"'(b) Each nonmilitary program or project for the purpose of flood control, hydroelectric power development, reclamation of land, highway construction or improvement, airport construction or improvement, railway construction or improvement, harbor construction or improvement, navigation improvement, housing or hospital construction and programs and projects related to such activities herein specifically enumerated which are proposed for construction under authority of title I, II, or III (except section 306) of chapter II, under section 400 or under section 451 of this Act and for which the estimated total cost is $1,000,000 or more shall be separately authorized by the Congress and no funds for such projects shall be appropriated without such prior authorization.'"

Mr. SALTONSTALL submitted an amendment, intended to be proposed by him, to Senate bill 3058, supra, which was ordered to lie on the table and be printed.

Mr. JOHNSTON of South Carolina submitted amendments, intended to be proposed by him, to Senate bill 3058, supra, which were ordered to lie on the table and to be printed.

Mr. ELLENDER submitted amendments intended to be proposed by him to Senate bill 3058, supra, which were ordered to lie on the table and be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. McCARTHY:

Statement entitled "Social Security for Physicians," written by Max Seham, M.D., Minneapolis, Minn.

Article entitled "Minnesota Story," written by Angelo Cohn and published in Voyager for March–April 1960.

By Mr. FULBRIGHT:

Editorial entitled "Six-Mile's Example Worthy of Emulation," published in the Arkansas Gazette of April 23, 1960, dealing with the selection of Six-Mile Creek in

Franklin and Logan Counties, Ark., as the watershed project of the year.

By Mr HARTKE:

Editorial entitled "We Must Use Our Wealth," published in the Salem (Ind.) Democrat of April 20, 1960, relating to spending on the part of the Federal Government.

Editorial entitled "Our Voteless Capital," published in the Indianapolis (Ind.) News of April 19, 1960, dealing with the lack of voting rights in the District of Columbia.

By Mr. WILLIAMS of New Jersey:

Editorial entitled "New Jersey, the Chemical State," published in the Passaic (N.J.) Herald-News of April 26, 1960, dealing with the chemical industry in New Jersey.

Article entitled "Links to Superroads Held Key to Problem," published in the Bergen Evening Record of April 25, 1960, describing some of the difficulties which arise when local roads and superhighways supplement each other.

By Mr. JOHNSON of Texas:

Article entitled "U.S. Officials Grow Anxious Over World Coffee Price Decline," written by John Harris, and published recently in the Dallas (Tex.) Times Herald.

By Mr. SALTONSTALL:

Article entitled "Asks U.S. Education for 4,000 Africans," written by Terry Ferrer, and published in the New York Herald Tribune.

Open letter on the dangers of apathy in the face of the Communist threat, written by Norman Knight, president of the Yankee Network Division, and published in the Boston Globe of April 17, 1960.

By Mr. DODD:

Article entitled "Sniffing Out Dope Pushers," written by Ruth Montgomery, published in the New York Journal-American of April 14, 1960.

By Mr. MARTIN:

Article entitled "Cartoons," written by Walt Kelly, and published in a recent issue of the magazine, Art in America.

By Mr. WILEY:

Article entitled "Wisconsin Claims Pioneer Radio Station—WHA Is 'Mother' to Network Stretching Over Entire State," published in the Midland (Wis.) Cooperator.

Excerpts from a leaflet, outlining the program of the Seventh International Soil Science Congress.

By Mr. YARBOROUGH:

Article entitled "Texans Ride to Cowboy Fame," published in Progressive Farmer of May 1960.

Assembly Joint Resolution 8, in regard to extension of educational and training benefits to persons entering the Armed Forces after January 31, 1955, adopted by the Assembly and Senate of the State of California, March 26, 1960, which will appear hereafter in the Appendix.

By Mr. MUNDT:

Resolution adopted by the Senate Committee on Agriculture and Forestry on April 27, 1960, for submission to the U.S. Tariff Commission, relating to lamb and mutton imports.

By Mr. ERVIN:

Tribute to the Honorable CARL T. DURHAM by Dr. E. McG. Hcdgpeth, of the School of Medicine of the University of North Carolina, on March 19, 1960, before the North Carolina Democratic Club of Washington, D.C.

WATER IN OUR FUTURE

Mr. MANSFIELD. Mr. President, in his opening remarks before the annual district convention of Rotary clubs, at Missoula, Mont., last week, the Commissioner of Reclamation, Floyd E. Dominy, suggested that his coming to Montana was becoming a habit, and that perhaps there were others who were better qualified to speak on water and reclamation. I think the Commissioner was being unduly modest. There is no agency head in Washington whom we would rather have come to Montana, and there is no one more qualified to speak about our water resources and their conservation and utilization.

The people of Montana are fond of Commissioner Dominy. He is almost like a native-born son. He has been good to the Treasure State in his various capacities at the Bureau of Reclamation.

On Saturday, Mr. Dominy delivered another of his fine speeches concerning water before the annual district convention of Rotary Clubs. A paragraph from the text of the speech summarizes the importance of our natural resources:

From the beginning of time, man's place of settlement, and to a large degree his success and progress, individually and as a tribe or nation, has been determined by the availability of land and water and the way in which they were used.

Mr. Dominy also expressed support for the continued expansion of our irrigation lands; and he did so in a manner which is most helpful in combating the erroneous statements to the effect that irrigation adds to our crop surpluses.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks the text of the speech by the Commissioner of Bureau of Reclamation, Floyd E. Dominy, speech before the annual district convention of Rotary clubs, at Missoula, Mont., on April 23, 1960.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

WATER IN OUR FUTURE

(Address by Commissioner of Reclamation, Floyd E. Dominy, before the annual district convention of Rotary Clubs at Missoula, Mont., Apr. 23, 1960)

This coming to Montana to make a speech is getting to be a habit with me. When your good Governor Al called me about participating here tonight I tried to argue him out of it because I had already said about everything I could about Montana water resources in four previous talks in the State over the last year. But Al insisted and so here I am.

But tonight, instead of discussing water problems in Montana, I want to talk about the importance of water in the lives of people everywhere. We folks here in the West are more generally aware of the importance of water than most people because we have had to face up to ways and means of putting it to work for our very survival. Because it is an immediate and ever pressing problem, we are inclined to think only of the present and only of our own immediate situation. Too often we forget the past, push aside the future, and ignore the problems of others. Yet water, while one of the most common components of our daily lives, is one of the most necessary and vital to life. We cannot and must not ignore its part in charting the course of civilization.

From the beginning of time, man's place of settlement, and to a large degree his success and progress, individually and as a tribe or nation, has been determined by the availability of land and water and the way in which they were used.

History is replete with the story of man's growth—with the rise and fall of different civilizations—in terms of his epic concern with water. In the Old Testament, most ancient of records, are such references as this one from Deuteronomy, "A good land, a land of brooks of water, of fountains and depths that spring out of valleys and hills." Or there is one from Hosea, "I did know thee in the wilderness, in the land of great drought."

There is, in the Moslem's Holy Koran, an admonition that "No one can refuse surplus water without sinning against Allah and against men."

All life depends on water. Some tell us that the origin of life on our planet is believed to be the sea. Today, after millions of years of evolution, man's tissues are still bathed in a saline solution closely akin to that solution from whence the first protoplasms of life emerged.

Every organic process requires a watery medium. The embryo floats in a liquid from conception to birth. Water acts as a lubricant, helps protect tissues from external injury and even gives flexibility to the muscles, tendons, cartilage, and bones. So you can see the five or so pints of water each of us in the Temperate Zone requires as a daily intake are essential to our very existence.

Life would be very easy if we could figure our daily per capita requirements on that amount of actual intake. But it isn't that simple—comparing intake with requirements. There are the gallons and gallons of water we demand daily through our domestic water systems for the supercleanliness of this modern civilization, for our garbage disposals, our automatic laundries and dishwashers, and many types of home air conditioners.

Then there are the tons and tons of water which virtually every industrial plant of any consequence requires for successful operation. Many steel plants require 270 tons of water for every ton of steel produced. It requires 2,500 tons of water for a ton of synthetic rubber. There are innumerable similar examples.

Or let's take a look at water needs for agricultural production. Each pound of dry vegetable products, to reach your table, requires from 300 to 700 pounds of water in the growth process. Sugar beets require about 1 ton of water for every pound of refined sugar.

A dairy cow only consumes about 4 pounds of water in making 1 pound of milk, but it requires 4 tons of water to produce the feed she eats every day. It figures out to about 26 gallons of water to a pint of milk. Or remember the next time you eat a beeksteak that it takes about 3¾ tons of water to back up the feed and moisture intake of a fattening steer. That figures out to approximately 900 gallons of water for every pound of steak.

A Presidential commission estimated in 1950 that our total daily water needs in this country at that time were 185 billion gallons, and predicted that our needs by 1975 would be an astronomical 350 billion gallons daily. But the Department of Commerce has just reported that our water needs in 1960 are already up to 323 billion gallons and by 1975 we will be using 450 billion gallons. The greatest increase in use is by industry, but both domestic and agricultural needs are also increasing sharply.

Thus the competition for water is growing keener every day. The increased demand for water is geared not only to a higher per capita use, but to a constantly growing population. The present census will show a national population of over 180 million people in the United States. By 1975, only 15 years hence, demographers estimate a national population of 230 million people, an increase of 28 percent.

Now what about irrigation versus other uses of water? It is generally recognized that water for domestic use has the highest priority. The only competition here is be-

As I have pointed out above, there has been a great deal of interest in the idea of a federated Africa or a "United States of Africa." Most African leaders with whom I talked expressed the view that this is an ideal that does not have much practical significance at the present time. In fact, each emerging state is now confronted with a formidable array of urgent domestic problems which it must resolve. These matters must take priority over the complicated issues involved in a united Africa. Consequently, even though there may be a tendency for certain states in particular regions to federate, or at the very least to work closely together on problems of mutual interest, I doubt very much if any significant progress towards a united Africa can be made in the near future.

SPECIAL PROBLEMS OF NEW AFRICA

In looking to the future of Africa, there are several very real dangers which the new countries will face and which most responsible African leaders readily acknowledge. Let me refer briefly to each of these.

First of all, there will be the temptation not to use to the fullest the administrative competence and the technical know-how available among the white elements of the population. We can all recall just how much political appeal the maxim "throw the rascals out" had during certain periods in our own history. By the same token, political extremists in Africa—disregarding their nation's welfare—may well insist upon the premature withdrawal of white men from positions of responsibility.

Such a trend could have disastrous consequences. It could result in lower standards of administration when better government should be the goal. It could engender hostility and animosity instead of the teamwork between the Europeans and the Africans that is so desperately needed. It could create instability and thus discourage foreign aid and private investment, both of which are essential to real progress.

Another danger lies in the ever-present threat of Communist subversion and intrigue. It is true that in the countries I visited I heard few reports of any effective Communist activity. Indeed, at the present time, there are relatively few individual Communists or organized Communist parties on the continent. Such Communist parties as to do exist in the independent African states are small and severely circumscribed by governments jealous of their newly won independence. I am convinced, however, that in the future Communist leaders will redouble their efforts to increase their influence among the young people, in the trade union movement, and in other strategic segments of the African population.

The major Communist threat to Africa at the moment is an external one. By that I mean the persistent attempts of international communism to penetrate and subvert the newly emerging nations of Africa. Although African governments generally are aware of the problem and seem determined to curtail subversive activities, we must not underestimate the ability of a few dedicated Communists to cause serious trouble. It is clear, if this threat is to be met, that necessary steps must be taken to avoid the kind of political and economic instability that so often leads to Communist subversion.

Finally, there is a danger that some of the new African states, encouraged by a spirit of intense nationalism and by intertribal rivalries, might engage in a competitive arms race that would lower their economic vitality and increase the risk of wars on that continent. Now arms control is very much like weight control—as every Western nation should admit. It is much easier to stay thin than it is to take off excess weight once it has been added.

It is, of course, the right of every sovereign state to determine the ends for which its productive energy and its resources will be used. It would be a tragic thing, however, if these new states—whose resources are so meager—were to embark upon the kind of arms competition that would divert their productive capacity from constructive ends.

This is something which the African states will have to decide for themselves. It is possible, however, if they only have the courage to grasp the nettle while there is still time, the United Nations might be helpful in finding an answer to their problem.

CONCLUDING COMMENTS

The challenge put to us by current African developments if formidable. Almost evcrywhere Africans are bodly assuming their increased responsibilities. It seems to me there are several courses of action we should follow in order to be helpful.

First, I think it is imperative that we increase our own knowledge and understanding of the problems of Africa. This is a job not only for the press, radio, and television, which during the past year have done much to focus public attention on the developing African scene, but also for our great universities. Unless the news is presented against a solid background of information it is likely to be misinterpreted and misunderstood.

It is in this connnection that the work of American universities in the past decade has been so outstanding. Ten years ago, only 2 universities in the entire United States offered course on Africa; there are now 29, of which 6 have major African area studies. The new African Studies Association now boasts over 600 members. Books, learned articles, and speeches have been produced in large quantities and in excellent quality, but much more is needed.

We have a great deal to learn and time is growing short. Africans who travel in the United States still find fixed in the American mind certain stereotypes evoked by words such as "witchcraft" and "primitive." It is true, of course, that there is much in Africa that is still primitive, but cities like Salisbury, Dakar, and Leopoldville are as modern as many American cities.

Secondly, if we need to know much more about Africa, it is at least as true that Africans need to learn much more about the United States. Certainly there is little awareness in Africa of our attempts to solve our own race problems and far too much emphasis on the materialistic rather than the human side of our culture. Frequently, too, one encounters a rather unrealistic belief in American omnipotence followed by disillusionment when we fail to measure up to their expectations.

There are a number of ways by which we can attempt to solve this problem. We can do this in the long run most effectively by expansion of our student exchange program. In 1955, there were 851 students from sub-Saharan Africa studying in American universities, by 1959, the number had risen to 1,190. Does this sound impressive? There were in 1959, 47,245 foreign students in American universities, of which the African share was less than 2 percent. This is much too small a number, although we have managed so far to substitute quality for quantity. Among the more illustrious graduates of American universities are the Prime Minister of Ghana, and the Premier of the eastern region of Nigeria.

Third, although education of the young is the most pressing job, we should also expand our leadership grants to outstanding African statesmen, administrators, and technicians. We have done a good deal in this field, but the need far outweighs available resources.

Fourth, a step-up in the tempo of our information activities in Africa is also essential. We now have an impressive number of centers operated by the U.S. Information Service in Africa. There are currently 25 central posts, 9 branch posts, and 3 reading rooms, working through local public information media and telling the U.S. story through films and libraries. In some countries, USIS carries on English language teaching, and in many other ways extends African knowledge of America.

Fifth, it is important to expand the economic assistance which can be made available for Africa. We are convinced that it is in the U.S. interest to increase direct assistance to Africa and a sum of $20 million has been requested by ICA for this purpose for next year.

I believe that our own efforts can be complemented in an important way by an expansion of United Nations activities in Africa. There is growing support in Africa for the kind of assistance made available by the United Nations. The Secretary General stated that this was his impression following his recent 24-country tour; I found the same sentiment everywhere I traveled. Multilateral aid has much to recommend it. It is easier for experts representing the world community to give advice on economic matters that will require a country to take unpopular political measures, increasing taxes, for example. Moreover, multilateral aid tends to mitigate some of the worst features of the shopping between East and West that some countries have learned to carry on. It cannot replace bilateral assistance, but we believe it has unique qualities which make it peculiarly adaptable to African countries.

Increased aid through the United Nations would have a beneficial political aspect as well. We can expect a certain amount of unrest in Africa. Frontiers were often established arbitrarily by European powers without much regard to ethnic or linguistic factors. For example, despite prolonged United Nations efforts, there is no mutually accepted frontier between Ethiopia and the new state of Somalia. As a result Africa, like other continents, will be beset by many formidable political and economic problems. The United Nations can be of great assistance in their solution. I believe that a U.N. presence, primarily to furnish economic and technical advice and assistance, in particular cases, can be an element of considerable political stability as well.

Finally, I would like to sum up my impressions in the following way. As one travels through Africa today, one can vividly sense the spirit which gave rise to our own Decleration of Independence with its ringing concepts of human dignity and equality. Fortunately, the transition to independence is nearly everywhere being carried out with the assistance and the approval of the administering powers.

The new political and economic responsibilities which the emerging African nations have assumed are nothing short of staggering. Many of their problems seem almost insurmountable. There will be some mistakes made. There will be some stumbling done. But let us be hopeful and charitable in our attitude, and let us remember our own halting beginnings.

I returned from Africa awed, disturbed and optimistic. I was awed by the size and complexity of the giant that is moving on to the world stage; disturbed by the magnitude of the problems that remain to be resolved; and encouraged by the growing amount of racial harmony that I encountered.

No one can doubt that the newly emerging states of Africa have an extremely difficult task ahead. A new state cannot be built in a day. It will take time—and energy and money—and sweat and blood and tears. But as they move on toward their goal of human betterment they know they have the sympathetic interest and the

support of the Government and the people of the United States.

I am confident that the peoples of Africa will succeed in establishing their rightful place in the family of nations, and that they will make a significant contribution to the United Nations and the cause of world peace.

ORDER OF BUSINESS

The PRESIDING OFFICER. Is there further morning business?

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MUTUAL SECURITY ACT OF 1960

Mr. BUTLER. Mr. President, has the morning hour been concluded?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded. Without objection, the Chair lays before the Senate the unfinished business, which is S. 3058.

The Senate resumed the consideration of the bill (S. 3058), to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. BUTLER. Mr. President, I move that there be stricken from the bill all language beginning with the semicolon and the word "and" on page 17, line 2, down to and including the word "purposes" in line 8 of page 17.

Mr. President, section 404 of the bill, S. 3058, as reported to the Senate, is a new section to the Mutual Security Act, as amended, the main purpose of which is to authorize use of mutual security funds for development of the Indus Basin under the supervision of the International Bank for Reconstruction and Development. The section would also authorize waiving our 50–50 shipping provision.

Under the multilateral agreement for this project the U.S. money contributed to the Indus fund will not be subject to the 50–50 shipping provision. It is claimed this is necessary in view of the multilateral character of the project and the fact that the other contributing nations are also foregoing any preferential strings on their contribution. At the same time the committee reports that it expects the 50–50 shipping provision will be waived only if or to the extent that compensating increases cannot practicably be made over a period of time in other mutual security shipments carried on American vessels to this or other regions.

It is the waiver of our 50–50 shipping provisions that concerns me greatly. It has been made clear by the State Department that this maritime statute creates no immediate problem and may, in fact, never create any problem.

In a letter attached to State Department release No. 199, dated April 19, 1960, which amplifies the testimony of Mr. Dillon before the Congress. It is stated that—

> We do not foresee need to exercise this authority in the near future.

The lack of any immediate need is explained as because—

> We anticipate ability to compensate within the regular mutual security program for the required proportion of the tonnage deriving from implementation from the Indus Basin project.

The State Department then goes on to say—

> If the present programs of assistance under the Mutual Security Act were to continue at approximately present levels over the period of time that will be required to complete the Indus Basin project, we could probably be reasonably confident that no necessity to waive the provisions of the cargo preference legislation would arise.

Moreover, as the committee has pointed out, compensating increases created by this project can come from other mutual security shipments. This fact is understood and accepted by all concerned—including the executive department and the industry. The only question at issue here is whether at some time in the future the mutual security programs may not be sufficient to carry along this Indus project under such a procedure, and to this extent there might be a future problem. It is only in connection with this possibility of a future problem that this waiver authority is requested, and the question before us is whether this authority—for 10 years hence—should be granted now by the Congress to the executive department. There seems to be some suspicion on the part of the executive branch that if a future problem should arise a future Congress would not be willing to take whatever reasonable action might be called for at that time.

I remind my colleagues that this is not the first time the administrative agencies have urged the Congress to wipe out this protective maritime statute on the ground that special programs might suffer harm. Many different patterns of foreign assistance have developed over the years from the early days of the Marshall plan—the expanded mutual security programs, special relief projects, sales for foreign currency, barter programs, and others. Each time any new type of program is conceived of or adopted the claim is made that the Cargo Preference Act should not be applied, and all sorts of dire pictures are conjured up to show that these programs could not be worked out unless cargo preference were done away with. Yet, as the Senate well knows, each time these claims were made the facts would not justify the contention, and, as we know, this shipping provision has not hurt these programs whatever. On the other hand, it has kept the U.S. maritime industry alive and provided jobs for our seamen and other workers, and has contributed millions of dollars of taxes to the Treasury.

I, for one, am not convinced that there is any solid reason for turning this power over to the executive department now. I am not convinced that this request for such authority has been justified or that there is any good reason for the Congress to give up its control over the situation at this time. There is no question in my mind that the fears of the State Department are unfounded. Even if a problem should arise at a later time is there really any question that the Congress would fail to take any reasonable action which may then be necessary?

I doubt that I need call the attention of my colleagues to the extent taxpayer dollars have gone into foreign assistance programs over the years. In the past, this has generated employment and stimulated productivity in the United States. Then, some few years ago, the accent switched to offshore procurement in the mistaken notion that this was stretching our aid dollars. But it did little for the American economy. Now there develops a new concept, as embodied in section 404 of the pending bill. This philosophy is a dangerous one, for it says in effect that whenever foreign countries assume, however small, a share of the burden in contrast to our large share in the development of the so-called underdeveloped areas, American laws should be set aside. Set these laws aside, we are told, because some international body such as the World Bank will be in charge of administering a project, and the World Bank demands that it have authority to allow the use of moneys given it by us in accordance with its own requirements, standards, and procedures. So far in the pending bill the effort is to set aside our maritime law. When will the request be made that our farm policy be set aside? When next will our safety and health legislation be scuttled? When will our social security and labor legislation be jettisoned?

In the postwar period we have erected a monument to international charity in the cause of purchasing friends and containing the Soviet Union. It is one thing to ask our people to assume this burden; it is quite another to require the setting aside of our national laws as a prerequisite for this benevolence. It is time that we remained unyielding in our principles, however charitable with our resources we may choose to be.

I see the present section 404, therefore, as the first serious step in the wrong direction, and I implore my colleagues to strike out the waiver authority contained therein so that our basic American statutes and standard of living be not eroded by the demands originating under a philosophy totally alien to the United States.

On this amendment, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. BUTLER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that it be in order for the Senator from Hawaii [Mr. LONG] to call up his amendment at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG of Hawaii. Mr. President, I call up the amendment to S. 3058 which I offer for myself and my colleague [Mr. FONG]. The original bill embodying this proposal was S. 3385 sponsored by 49 Senators. I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be read.

The Chief Clerk read as follows:

At the end of the bill it is proposed to insert a new chapter as follows:

"CHAPTER VII—CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

"SEC. 701. This chapter may be cited as the "Center for Cultural and Technical Interchange Between East and West Act of 1960."

"SEC. 702. The purpose of this chapter is to promote better relations and understanding between the United States and the nations of Asia and the Pacific (hereinafter referred to as "the East" through cooperative study, training, and research, by establishing in Hawaii a Center for Cultural and Technical Interchange Between East and West where scholars and students in various fields from the nations of the East and West may study, give and receive training, exchange ideas and views, and conduct other activities primarily in support of the objectives of the United States Information and Educational Exchange Act of 1948, as amended, title III of chapter II of the Mutual Security Act of 1954, and other Acts promoting the international, educational, cultural, and related activities of the United States.

"SEC. 703. In order to carry out the purpose of this chapter the Secretary of State (hereinafter referred to as the "Secretary") shall provide for—

"(1) the establishment and operation in Hawaii of an educational institution to be known as the Center for Cultural and Technical Interchange Between East and West, through arrangements with public, educational, or other nonprofit institutions;

"(2) grants, fellowships, and other payments to outstanding scholars and authorities from the nations of the East and West as may be necessary to attract such scholars and authorities to the Center;

"(3) grants, scholarships, and other payments to qualified students from the nations of the East and West as may be necessary to enable such students to engage in study or training at the Center; and

"(4) making the facilities of the Center available for study or training to other qualified persons.

"SEC. 704. (a) In carrying out the provisions of this chapter, the Secretary may utilize his authority under the provisions of the United States Information and Educational Exchange Act of 1948, as amended.

"(b) The Secretary may, in administering the provisions of this chapter, accept from public and private sources money and property to be utilized in carrying out the purposes and functions of the Center. In utilizing any gifts, bequests, or devises accepted there shall be available to the Secretary the same authorities as are available to him in accepting and utilizing gifts, bequests, and devises to the Foreign Service Institute under the provisions of title X, part C of the Foreign Service Act of 1946, as amended. For the purposes of Federal income, estate, and gift taxes, any gift, devise, or bequest accepted by the Secretary under the authority of this chapter shall be deemed to be a gift, devise, or bequest to or for the use of the United States.

"(c) The Secretary shall make an annual report to the Congress with respect to his activities under the provisions of this chapter, and such report shall include any recommendations for needed revisions in this chapter.

"SEC. 705. There are authorized to be appropriated, to remain available until expended, such amounts as may be necessary to carry out the provisions of this chapter."

Mr. LONG of Hawaii. Mr. President, the concept of an East-West cultural center has been before the public and before this body for such a long period of time that I think it is hardly necessary for me to discuss it in detail at this time.

Briefly, the bill would authorize the Secretary of State, in cooperation with such educational or other nonprofit institutions as he might wish to call upon, to establish in the State of Hawaii a center for cultural and technical interchange between East and West. The bill requires that at least once annually the Secretary of State submit to the Congress a report on the activities carried on, the scope of the program, and the progress made.

We believe that enactment of this provision as part of the mutual security program will constitute a significant contribution toward increasing the friendship and mutual understanding between our country and the nations of Asia and the Pacific which presently are outside the Communist ring of influence. That is the sole purpose of the bill. It is not designed merely to build up the University of Hawaii. The University of Hawaii is a State university, and is the responsibility of the State of Hawaii. But we are offering its facilities and all our cooperation for this endeavor which we believe has a very important bearing on our foreign relations. Friendship and mutual understanding are the foundation stones of peace.

Mr. President, that, in a few words, is the purpose of this amendment.

Mr. MANSFIELD. Mr. President, will the Senator from Hawaii yield?

The PRESIDING OFFICER (Mr. LUSK in the chair). Does the Senator from Hawaii yield to the Senator from Montana?

Mr. LONG of Hawaii. I yield to the Senator from Montana.

Mr. MANSFIELD. As I understand, this proposal was advanced last year, and at that time was approved by both Houses of Congress.

Mr. LONG of Hawaii. That is correct.

Mr. MANSFIELD. I also understand that at the behest of the Congress, the State Department last year conducted a very thorough investigation into the possibilities of an East-West cultural center, in Hawaii, and recommended that such a center be established.

Mr. LONG of Hawaii. That is correct.

Mr. MANSFIELD. If my memory serves me correctly, that investigation by the State Department and by representatives of other agencies of the Government was undertaken over a period of from 4 to 6 weeks.

Mr. LONG of Hawaii. That is correct.

Mr. MANSFIELD. And they examined every facet of the proposal to create a Center which would serve as an educational meeting place, so to speak, for Americans and for people from the Far East; and they determined that the most logical place for an East-West Cultural Center of this sort would be Hawaii, which traditionally has been the meeting ground, as well as the melting pot, for the peoples of the Pacific.

Mr. LONG of Hawaii. The Senator from Montana is entirely correct.

Mr. MANSFIELD. I thank the Senator from Hawaii.

Mr. President, I wish to pay special tribute to the two Senators from Hawaii [Mr. LONG and Mr. FONG], and also to the Member of the House of Representatives from that great State, Representative INOUYE, for their unfailing attention to this matter and their outstanding efforts to bring to successful fruition this great dream.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Hawaii yield to me?

Mr. LONG of Hawaii. I yield.

Mr. JOHNSON of Texas. I wish to join the Senator from Montana, the distinguished majority whip, in congratulating both of the Senators from Hawaii on their very worthwhile efforts in connection with what I consider to be one of the finest pieces of legislation ever to be considered by the Congress.

I have had numerous conferences with both of the Senators from Hawaii, in connection with this matter; and I have talked about it to the chairman of the Foreign Relations Committee. The State Department has made a very thorough study of this field. I believe that if favorable action is taken on the amendment, which is sponsored by many of the Members of this body, the Congress will long remember this day.

Mr. DIRKSEN. Mr. President, will the Senator from Hawaii yield to me?

Mr. LONG of Hawaii. I yield to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I remember with great interest my visit to the American University at Beirut, in Lebanon. I think it was one of the most interesting and rewarding experiences I ever had, because there we find young people from all the countries of the Middle East taking training and securing important knowledge and wonderful understanding of American traditions and culture. That University has rendered significant service and has done very much to create good will and to explain what I am pleased to refer to as the American tradition. I know several of those who have been the distinguished presidents of the American University at Beirut. Having had that opportunity to see how an educational institution of that kind can impress itself so deeply upon the minds and hearts of peoples of different faiths and different nationalities in the entire Middle Eastern portion of the world, I can readily envision the effect which the proposed East-West Cultural Center will have, once it is established and becomes a functioning institution in the State of Hawaii. I am sure it will gather unto itself scholars of great talent and attainment from Asia, and from the West, as well; and, through that commingling and intermingling of understanding, talent,

research, and other parts of its curriculum, I believe the funds required for that purpose will be well invested in the extension of the good will of this country and in the development of good will for this country.

Mr. LONG of Hawaii. I thank the distinguished Senator from Illinois for his very fine statement.

Mr. FONG. Mr. President, will my colleague yield to me?

Mr. LONG of Hawaii. I am glad to yield.

Mr. FONG. Mr. President, I am very happy to join my colleague in sponsoring this amendment to the Mutual Security Act.

The people of Hawaii are strongly back of this proposal to create at the University of Hawaii this center of East-West culture.

As the Senate knows, the people of Hawaii have created from various and diverse peoples a very homogeneous, progressive, and important society and community. They have worked extremely well together, and they have shown all the world that peoples of various races can successfully work and live together.

In proposing the establishment of this cultural center, the people of Hawaii feel a sense of history. They feel that in the field of international relationship they can give to the American people real help that will be of greater value than anything the country has thus far seen from the people of Hawaii.

The people of Hawaii feel that because of the fact that they have been able to live together amicably and in unity and concord, they will be able to disseminate this message of good will to all the peoples of the world.

In my travels in the Far East, and especially in the trip I made last November, I was constantly asked by the people there how Americans live and what really transpires in America, insofar as democracy is concerned.

The establishment of this East-West Cultural Center in Hawaii, will give to representatives of all the countries of Asia and the Pacific a chance to come to Hawaii and see how the Americans there live and function in our democratic society.

In Hawaii, where the people live in such outstanding amity, visitors from the countries of Asia and the Pacific can really be shown that people of various ancestral backgrounds can work successfully together for the common good.

At this point, I should like to read an editorial which was published in a Korean newspaper at the time when word reached Korea that the Asian Cultural Center was about to be proposed for establishment in the State of Hawaii. The editorial was published in the Korean Republic, in Seoul, Korea, on December 4, 1959; and it reads as follows:

ASIAN CENTER IN HAWAII

Ideas of great inspiration do not come along very often—perhaps once in a generation.

We think one is developing now in connection with the suggestion that a center for Asian studies be established in Hawaii, the 50th State of the American Union.

The center would fill an important and increasing need. Many universities of the West offer various Asian studies, but there is a natural tendency to specialize, and there is no center that covers all the major languages and cultures.

Through such an enterprise, Asians would come to know more about themselves and each other. All countries and all peoples of the region presumably would be represented among both faculty and students.

Hawaii is the ideal location for the center. Its climate is a compromise, and acceptable to those from both temperate and tropical zones. But of even greater consequence is Hawaii's racial tolerance and integration.

Of all places in the world, Hawaii is that which gives the most dramatic answer to the contentions of the racists. Not only has intermarriage taken place on a large scale, but peoples of diverse colors and creeds live and work together in harmony and without discrimination.

Now that Hawaii is a State, this will have mounting impact on the evolution of racial problems on the mainland. The Asian center could spread the ripples of similar influence in the direction of the Far East, where national differences pose many difficulties.

It might be well to establish the center on international ground, much as is the case with the United Nations in New York, and to place the joint administration in the hands of the United States and the participating free Asian nations.

The experience of such an endeavor would represent a long step in the direction of more effective international controls and security.

Concept of a Hawaii center of Asian studies and research should stir the imaginations of all who care about the amalgam of East and West and should bring the project to the point of implementation in the earliest possible future.

I should like to say also, Mr. President, that the people of Hawaii have already started contributing money for this East-West Cultural Center. The Legislature of Hawaii has appropriated quite a large sum to supplement the prospective appropriation that they anticipated will be made by the Congress of the United States. Many citizens, including the students of the University of Hawaii, have asked for public contributions, and it is expected that a good many trusts, estates, and foundations will contribute generously toward helping the establishment and operation of the East-West Center.

I should also like to say that the Governor, the legislature, and almost everyone in Hawaii feel very, very strongly about the establishment of the East-West Cultural Center, and they all look forward to better international race relationship among the people of the world through the establishment and operation of the East-West Cultural Center.

I am very happy to join my colleague in this amendment, and I thank him for yielding to me.

Mr. LONG of Hawaii. I appreciate the comments of my colleague from Hawaii.

I want to voice my gratitude for the support which the proposal for the East-West Center has received from both sides of the aisle and from all sections of the country. Legislation to establish in Hawaii a center where East and West can meet originated last year with the distinguished majority leader and with Hawaii's delegate to Congress, Mr. John Burns.

Theirs was the inspiration to have the Federal Government support a new departure in international relations. The idea was developed into a legislative proposal at this session of the Congress through the wholehearted and enthusiastic cooperation of the majority leader, Senator LYNDON JOHNSON, Congressman DANIEL K. INOUYE, and my colleague, Mr. FONG.

Much credit goes to the University of Hawai for developing this inspiration into a concrete program for cultural interchange and technical training. The State Department studied these plans and in so doing made many excellent suggestions, now incorporated in the plan. The State of Hawaii has appropriated money for the center and its citizens are making donations to share in the costs of the program.

There has been a widespread interest in this proposal, both in this country and in Asia. It has been recognized as an imaginative and yet practical program for making ourselves better acquainted with the countries of Asia. We have much to offer to our neighbors in the Pacific and much to learn from them. This International Center at the University of Hawaii will make possible an interchange between East and West which will bring rich returns in friendship and mutual understanding.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. LONG of Hawaii. I yield to the distinguished Senator from Arkansas.

Mr. FULBRIGHT. Last year we spent much time in considering the proposal. At the time we authorized a study of it by the State Department. I have considered the proposal at length. I think it is an excellent suggestion. It is designed to meet a problem which is difficult to handle under our existing mainland institutions.

I shall be very glad to accept the amendment and take it to conference, and I believe we can persuade the House to accept it, because it is in line with our foreign policy.

I should like to add one further word. Shortly after the Senator made his proposal last year, within a few months, the Russians took up the idea, and they have actually created an institution in Moscow to serve a similar purpose.

I shall be very glad to accept the amendment.

Mr. President, I wish to thank all those who have supported this idea. I am confident, because of its importance, that the Senate will act upon it favorably.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. LONG of Hawaii. I yield to the distinguished Senator from Ohio.

Mr. LAUSCHE. Mr. President, I think the thought embraced in this amendment is sound basically. I should like, however, to suggest to the chairman of the Foreign Relations Committee that there are in the amendment some weaknesses which ought to be attended to, probably in conference. I refer to the

size and duration of the Federal Government's financial support, which is not at all stated in the amendment. The continuing responsibility of the Secretary of State with regard to the operation of the center is a matter which ought to be considered.

Mainly, attention ought to be given to the fact that there is an open-end appropriation allowed for the construction and operation of the proposed institution. No specific amount is designated which will be allowed for the operation of it.

I merely leave the thought with the chairman of the Foreign Relations Committee that probably, on the basis of prudent business management of Federal funds, there ought to be more specific declarations in the amendment dealing with the items which I have mentioned than those now contained in it.

Mr. FULBRIGHT. We shall certainly consider in conference the points which the Senator from Ohio has made. This amendment will be in conference, and the House will raise these very points. I may say I do not think there is too much danger about the authorization. It is only an authorization. Before any money is actually made available, this matter will have to pass both appropriations committees and both Houses.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. LONG of Hawaii. I yield.

Mr. JOHNSON of Texas. I think the observation of the Senator from Arkansas [Mr. FULBRIGHT], the distinguished chairman of the Foreign Relations Committee, is well taken; and I hope the suggestion made by the Senator from Ohio [Mr. LAUSCHE] will be given consideration when the bill goes to conference, because it will be in conference. Before any money is appropriated, the Appropriations Committee, headed by the Senator from Arizona [Mr. HAYDEN], will give serious consideration to any request.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Hawaii [Mr. LONG], for himself and the senior Senator from Hawaii [Mr. FONG].

The amendment was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DIRKSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maryland [Mr. BUTLER].

Mr. BUTLER. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. SMATHERS and Mr. FULBRIGHT addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. SMATHERS. I shall be glad to yield to the chairman of the Foreign Relations Committee.

Mr. FULBRIGHT. Is the Senator from Florida going to speak to the Butler amendment?

Mr. SMATHERS. No. I have an amendment very much akin to the amendment offered by the Senator from Hawaii, which has just been adopted, which was creating the Cultural Center in Hawaii. My particular amendment calls for a study to be undertaken by the Secretary of State to consider the establishment of a similar cultural center in Puerto Rico for this hemisphere.

From preliminary discussions with members of the Foreign Relations Committee and other Members of the Senate, I gathered the information that there was no particular objection to this kind of a study, for the purpose of looking into the feasibility of setting up the same kind of a program, a North-South Cultural Center, in the Latin-American area, where I think there is just as much need for an exchange of ideas and students as there is in the East-West area. If the able Senator from Maryland will yield to me, so that I may bring up my amendment and have it disposed of, I will be most grateful.

Mr. DIRKSEN. Mr. President, if the Senator will yield, I may say it is not going to be disposed of that quickly. Perhaps these cultural centers come cheaper by the dozen, as they say, but one at a time is enough, I think.

Mr. SMATHERS. My amendment proposes only a study. It is designed as an educational approach to better understanding and relations with our neighbors to the south.

Mr. DIRKSEN. I know how these studies eventuate into something concrete very rapidly. The difference between the Senator's proposal and the one the Senate has just acted on is that Hawaii is a State of this Union. Puerto Rico is not. None of the Latin American republics are a part of this Union. I think we ought to take a little time to consider the matter before we encumber this mutual security bill with a whole collection of cultural centers; and I wish to express my opposition to it right now.

Mr. AIKEN. Mr. President, do I correctly understand that the proposal of the Senator from Florida calls for a study?

Mr. SMATHERS. It calls for a study as to whether it is feasible to have a similar type of operation to the one to be set up in Hawaii.

Mr. AIKEN. Mr. President, will the Senator from Florida permit me to say that in Latin America there has been a feeling we are paying a great deal more attention to Asia and to Africa than we are to our nearest neighbors. I would dislike very much to see the proposal submitted by the Senator from Florida defeated, because I fear it would not have a good effect on our relations.

Mr. SMATHERS. I would implore the able minority leader to change his position. If it is not a feasible proposal, I think we can trust the Committee on Foreign Relations and those who will be assigned to study it to do what is intelligent and what is proper and to not involve us in a long succession of expenditures.

As the able Senator from Vermont has said, we continue to run into a very real problem in that we always seem to pay much more attention to other areas of the world than to Latin America. Those of us who are greatly interested in the Latin American area find this to be so. If we could have the study, I think it would make a great deal of sense. If the committee, after studying the matter, does not think the proposal makes sense, that will end it.

Mr. DIRKSEN. I will say to the distinguished Senator from Florida, the similar matter was considered as a separate resolution, quite aside from the mutual security bill last year, and was sponsored by 48 Members of the Senate. That is quite a different thing. I would suggest that the Senator offer a resolution as a separate resolution, let it go to the appropriate committee and be studied, rather than to seek to make it a part of the mutual security bill, which is presently before the Senate.

Mr. SMATHERS. I will say to the able Senator, it is my understanding—and, of course, the chairman of the committee can tell us the exact fact—that the resolution which was offered last year was finally made a part of the Mutual Security Act. Is that correct?

Mr. FULBRIGHT. That is correct.

Mr. SMATHERS. I think this is the proper time and the proper forum. I implore the able minority leader not to oppose it. I know the Senator is interested in Latin America, as we all are.

I think if we do not at least make the study, our action would be improperly interpreted in that area of the world, and would make it a little more difficult for us to accomplish in that important area the things which the State Department is trying to accomplish.

I do not believe this proposal will involve any great expenditure of money at this particular time. I am confident that what is needed for the study will prove to be an investment of inestimable value. The problems which beset Latin America are many. Our relations with the area have deteriorated. The hour for solution of these problems is here. This proposal is one means toward this end.

I ask the able minority leader to consult with the Senator from Vermont and with other Members on his side of the aisle, and to change his position. I think most of the Senators believe this is a sound and sensible approach.

Mr. DIRKSEN. Mr. President, I speak only for the minority leader. I ask the distinguished chairman of the Committee on Foreign Relations, what are his notions about this matter?

Mr. FULBRIGHT. As the Senator from Illinois knows, I have a great interest in this kind of activity, because I think it promotes our foreign policy very effectively. I favor a study of this kind.

I also invite attention to the fact that this proposal would not limit the study merely to the creation of a new institution. It could either be a branch of an existing institution of higher learning or a separate institution.

Already in Puerto Rico we have a very modest operation under the technical assistance point 4 program, in which existing institutions are utilized most effectively. I have visited them. Representatives of over 20 countries were attending.

The conflicts which sometimes trouble our internal affairs, growing out of race, do not exist in Puerto Rico. It has been an ideal place for bringing in people from the Caribbean area and from other areas. There were representatives from Asia and from Africa. There is no other place, except of course Hawaii, now. Without this the work could not continue.

I do not foresee that this will be a vast undertaking involving millions and hundreds of millions of dollars. The study itself will be a very modest one, by the Department. Even if it should eventuate into a new institution or assistance to an existing institution, I do not think it will involve a great deal of money. It will serve a very good purpose.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. JOHNSON of Texas. Mr. President, more than 2 years ago, in an address which I made before I believe the American Association of Newspaper Editors or the Chamber of Commerce of the United States—I do not recall exactly which organization at the moment—I urged the attention of the Committee on Foreign Relations to a study in both fields. I urged study of an East-West Institute and one such as the Senator from Florida has now proposed.

I had hoped that we could take action on the East-West Institute first, and follow that immediately with a proposal in connection with Puerto Rico or some other suitable location. Now that we have taken action on the East-West Institute in the Senate, I should like to see the suggestion embodied in the proposal of the Senator from Florida carried out. I see no harm which could flow from the suggestion. I can foresee great good which might result.

In any event, no authorization is involved. No appropriation is involved. It would be a mere direction to the committee and to the Department to undertake consideration of the idea. If the Department, after adequate consideration, comes to the conclusion it did in connection with the East-West Institute, then we can again consider the matter on its merits. If, on the other hand, the Department feels it is not a proper time to undertake such a proposal, or that good results would not flow from it, the Department can so recommend.

I see no reason why we should not accept the idea of the Senator from Florida. I hope the Senate will do that. I hope my friend from Illinois will permit the study to be made, because I think that is the best, the most feasible, and the most orderly way to approach the matter. If we do not approach it in that way, I think we will be confronted with amendments to bills even before we have had proper hearings and before the Department has given the matter proper consideration.

I am very much in sympathy with the suggestion made by the Senator from Vermont, that our actions may be misconstrued and the wrong impression may flow from our action if we should deny the committee and the Department an opportunity merely to engage in this study.

Mr. DIRKSEN. Has this matter been presented to the Committee on Foreign Relations?

Mr. SMATHERS. No. Not formally. It has been discussed informally on several occasions.

Mr. JOHNSON of Texas. I cannot speak with authority on that, but my memory is that when we made the original recommendation for the East-West Institute we also said we thought it would be a good idea to establish something similar elsewhere. I know that was in the original idea advanced to the country.

Mr. DIRKSEN. The chairman of the committee indicates this was not presented to the committee.

Mr. SMATHERS. I think that is correct as a formal matter, but over the last 5 or 6 years, I will say, this matter has been discussed informally.

Last year, when there was first talk about the East-West Institute, there was some mention made, as the able majority leader has pointed out, of the need for a North-South operation, but it was said, "Let us do one thing at a time." The study plan was suggested. I think it would eliminate the prospect of embarking on some harebrained scheme which would cost a lot of money.

Mr. DIRKSEN. Mr. President, if the Senator will yield further, I will conclude with one observation.

I have seen these studies for the last 25 or 26 years. They are just like great towering oaks, which grew from little acorns. They start out as studies. That has been the history of government.

In the instant case, with the East-West Cultural Center, the matter has been considered and has been formalized. A bill was introduced. The bill had 48 sponsors. That came to the Senate with some background.

Although this matter has never been presented to the full committee, I am not going to stand in its way, except to utter my own personal objection. I shall let the Congress do as it will with the matter. I think the time has come for some caution. Having consummated, we hope, one institution, I think we can wait before we venture down this other trail.

I am not wholly unsympathetic to the idea. I have inspected some of the institutions in Puerto Rico, and I think that country needs encouragement. I believe that relations between Latin America and the United States richly merit encouragement of the project. But this program will run into money before we are through. Let us make no mistake about that. That is one reason why I have taken some exception to that provision of the bill.

There was a proposal for a study of a program for a youth corps, to be trained to administer international aid. The original proposal, which was before us last year, even provided that we should take under advisement the prospect of allowing service in a youth corps administering American aid abroad to take the place of service in the Armed Forces. That, also, is a beautiful ramification.

These proposals all have ramifications. I prophesy now that what is proposed today as a study will be back here a year or two hence in the form of a request for very substantial appropriations.

Having made my case and uttered my objection, I let the matter rest there.

Mr. SMATHERS. Mr. President, I appreciate the able minority leader's statement. I think the whole purpose of the proposed study is to try to create better relations and a better understanding between the various areas of this part of the world, so that we shall not eventually have to appropriate large sums of money for so-called economic aid programs and other programs to remedy misunderstanding and ill will which may develop. I know that the Senator is greatly interested in this area, and I am delighted that he has so spoken. I would not want anyone in that area to feel that he is not interested.

Certainly I share his hope that this approach will not result in any waste of money. I do not believe it will. On the contrary, if we provide a center where the people of Latin America can meet and exchange confidences and try to understand each other's problems, in the long run there will be less need for money, less need for sending old tanks, guns, and things of that character to those countries. I think we can eliminate that kind of program and substitute for it the kind of program now proposed. The proposed program is much less expensive and much more valuable to us.

Mr. AIKEN. Mr. President, I should like to refer to the question asked earlier, as to whether this subject has been considered by the Foreign Relations Committee up to this time. The specific proposal has not been considered, but the general subject has been discussed time and time again.

For millions of Latin Americans the image of the United States is formed in Puerto Rico. They look to Puerto Rico. We have made any number of friends through our handling of Puerto Rican affairs over recent years.

I should very much dislike to see this proposal voted down. It provides for a study of the situation which has been presented by the Senator from Florida.

It has been said that such a study would cost money. The greatest need of the developing nations of the world today, including Latin America, Africa, and Asia, is trained leadership. We are taking many thousands of young people from those developing countries into the United States and training them. We are taking them in such numbers that we are now receiving complaints from American boys and girls that they cannot even get into their own universities. They point to the fact that we are taking students from other countries when they cannot get into the same universities.

So it seems to me that if, in Hawaii and Puerto Rico, we can develop and

train the leadership which those developing nations so badly need, instead of being a costly venture, it will be a profitable one, because it will help to increase the general commerce and economy of the whole world; and if we cannot get our share, that is our fault.

Mr. SMATHERS. I thank the able Senator.

Mr. LAUSCHE. Mr. President, I regret that I must express opposition to this proposal. This subject has not been discussed in the Foreign Relations Committee, and I feel rather certain that if it had been discussed, and if it had been anticipated half an hour ago, when we passed on the Hawaiian Institution, that suddenly there would come before the Senate a proposal to establish a north-south program, there might have been some different approach to the Hawaiian proposal.

I am compelled to say that I was astounded that, as quickly as the door was opened by the establishment of a Hawaiian Institution, there was presented to this body a proposal which was entirely unexpected by Senators in attendance, a proposal to establish a north-south program.

Two years ago when the Hawaiian proposal was made I expressed doubts about it. Moreover, I am of the belief, as I have previously stated, that the language contained in the Hawaiian proposal is rather uncertain and loose. It provides for grants, fellowships, and other payments to outstanding scholars and authorities. In subparagraph (3) it provides for grants, scholarships, and other payments to qualified students.

How does this subject become a part of mutual security, with the appropriation of the funds contemplated by the Mutual Security Act? A further question is raised in my mind as to the propriety of including it within this bill.

Two years ago, when the proposal was first made, I expressed doubts about it. I insisted that a study should be made. The study made by the State Department, and its views, do not suggest positively even the establishment of an institution in Hawaii.

As I have said, 1 minute after the Hawaiian door was opened, this unexpected proposal was made for a North-South Institution. I wonder if the Senator from Illinois [Mr. DIRKSEN], judging from his manifest surprise, would have supported the Hawaiian Institution if he had known that so suddenly this new program would be presented.

Let me say to my colleagues that I have learned a lesson from this experience today. I have doubts about the correctness of passing upon the Hawaiian Institution in connection with the mutual aid bill. I should have known that the moment that proposal was adopted the gate would be open, and that there would be other proposals.

I venture a wager today that if I am in the Senate for the next 3 years, there will be further proposals along this line. Now it is north-south and east-west. Later someone will come forward with some other type of orientation. In a measure, Pandora's box has been opened, as has frequently been said in conection with subjects of this type.

The objective may be good, and the ultimate result to be obtained may be good. However, there is no justification for adding this proposal to the package and getting the Senate, indirectly by compulsion, to vote upon the proposal in combination with the Senate's desire to vote on the mutual security bill. I do not believe we are acting soundly and prudently, in accordance with the procedures that should guide the Senate in the disposition of the appropriation bills, by acting in haste upon this proposal.

Mr. President, I ask for a yea-and-nay vote on the amendment if it is to be submitted or offered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maryland [Mr. BUTLER].

Mr. BUTLER. Mr. President——

Mr. FULBRIGHT. Mr. President, I wish to say something about the Butler amendment before it is voted on.

Mr. BUTLER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUTLER. The Senator from Florida addressed the Chair and asked that the pending business be laid aside so that the amendment he proposed to offer could be considered. I agreed with the Senator to the setting aside of my amendment, to afford him an opportunity to get a vote on his amendment if he desired to have that action taken.

Mr. SMATHERS. That was my understanding.

Mr. FULBRIGHT. I do not object to that, but I do not want to delay a vote on the Butler amendment. However, if there are to be several speeches——

Mr. LAUSCHE. Mr. President, I point out one great reason why we should not act in this way, because the Senator from Arkansas says he does not want the amendment to hold up consideration of the bill. The bill is the important subject. The amendment is being attached to it as a kind of caboose to ride along with the general bill.

Mr. SMATHERS. I thought I asked for unanimous consent, when I started to offer my amendment, that the amendment of the able Senator from Maryland be laid aside in order that my amendment might be considered. The Senator from Maryland was gracious enough to extend that courtesy to me, and it was my understanding that the Chair had ruled on my request. I do not propose to delay the matter any longer. If we can get a vote on it, that is perfectly agreeable.

The PRESIDING OFFICER. The Chair did not understand the Senator from Florida to ask unanimous consent that that be done.

Mr. FULBRIGHT. Mr. President, I should like to get a vote on the amendment offered by the Senator from Maryland [Mr. BUTLER], as well as a vote on the amendment of the Senator from Florida [Mr. SMATHERS].

Mr. BUTLER. Mr. President, I ask unanimous consent to withdraw my amendment.

Mr. LAUSCHE. Mr. President, I ask for a yea-and-nay vote on the amendment of the Senator from Florida.

The PRESIDING OFFICER. The Senator from Maryland has asked unanimous consent to withdraw his amendment. Is there objection?

Mr. BUTLER. Before the Chair rules, I should like to make a parliamentary inquiry. If the amendment is withdrawn by unanimous consent, it may be offered later. Is that correct?

The PRESIDING OFFICER. Yes; it may be offered later. Without objection, the unanimous-consent request of the Senator from Maryland is agreed to.

Mr. SMATHERS. Mr. President, in order to bring this matter to a head, I send to the desk my amendment and ask that it be read.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill add a new chapter as follows:

CHAPTER VIII—HEMISPHERIC CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE

Statement of purpose

SEC. 801. The purpose of this chapter is to promote better relations and understanding between the United States and the other nations of the Western Hemisphere (hereinafter referred to as "the hemisphere") through cooperative study and research, by establishing in Puerto Rico a hemispheric center for cultural and technical interchange, either as a branch of an existing institution of higher learning or as a separate institution, where scholars and students, in various fields from the nations of the hemisphere may meet, study, exchange ideas and views, and conduct other activities primarily in support of the objectives of the United States Information and Educational Exchange Act of 1948, as amended, and title III of chapter II of the Mutual Security Act of 1954 and other Acts promoting the international educational, cultural, and related activities of the United States.

Establishment of center

SEC. 802. In order to carry out the purposes of this chapter the Secretary of State (hereinafter referred to as "Secretary"), after consultation with appropriate public and private authorities, shall, on or before January 3, 1961, prepare and submit to the Congress a plan and program for—

(1) the establishment and operation in Puerto Rico of an educational institution to be known as the hemispheric center for cultural and technical interchange through arrangements to be made with public, educational, or other nonprofit institutions;

(2) grants, fellowships, and other payments to outstanding scholars and authorities from the nations of the hemisphere as may be necessary to attract such scholars and authorities to the center.

(3) grants, scholarships, and other payments to qualified candidates from the nations of the hemisphere as may be necessary to enable such students to engage in study at the center; and

(4) making the facilities of the center available for study to other qualified persons on reasonable basis.

Authorization of appropriations

SEC. 803. There are authorized to be appropriated, to remain available until expended, such amounts as may be necessary to carry out the provisions of this chapter.

Mr. LAUSCHE. Mr. President, I wish to point out to my colleagues that the amendments as drawn directs the Secretary of State to prepare and submit to

Congress a plan and program, first, for the establishment and operation in Puerto Rico of an educational institution; second, a plan for establishing grants and fellowships to scholars and authorities from other nations; third, that he shall prepare a plan for grants and scholarships for students.

This does not envision a study. It tells the Secretary of State to set up a plan and get it before Congress for action. This is an example of how improper it is to proceed in this hasty way to get legislation passed.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. DIRKSEN. This directs the Secretary of State to do it. In one section the word is "shall," and the last section of the bill is an authorization for an appropriation. This is not provision for a study at all. I got the idea that it was only for a study. This is identical with what we have done. It authorizes an appropriation.

I move to recommit the proposal to the Committee on Foreign Relations.

Mr. SMATHERS. This is exactly the same idea that we had in the bill last year.

The PRESIDING OFFICER. It is the understanding of the Chair that it would not be proper to offer a motion to recommit an amendment being offered to the bill.

Mr. DIRKSEN. I withdraw my motion.

Mr. SMATHERS. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield.

Mr. SMATHERS. In preparing the amendment we took the identical language and attempted to follow as closely as was humanly possible the procedures that were followed last year in calling for the study with respect to the cultural center between East and West in Hawaii. The language in the pending amendment is exactly the same.

Mr. President, I modify my amendment by striking out the reference to the request for an appropriation.

The PRESIDING OFFICER. The Senator has a right to modify his amendment. There is no objection.

Mr. LAUSCHE. Mr. President, if an objection will stop the Senator from modifying his amendment——

The PRESIDING OFFICER. No. The Senator has a right to modify his amendment, any objection notwithstanding.

Mr. SMATHERS. As I understand, the vote will now come on the question whether a study should be made by the Department. By this vote, we authorize the State Department to make a study as to whether a cultural center should be established in Puerto Rico to foster better relations between Puerto Rico and the United States.

Mr. LAUSCHE. Mr. President, I ask for the yeas and nays on the proposal of the Senator from Florida.

The yeas and nays were not ordered.

Mr. JOHNSON of Texas. Mr. President——

Mr. LAUSCHE. I suggest the absence of a quorum.

Mr. JOHNSON of Texas. Mr. President, I suggest to the Senator from Illinois and the Senator from Florida that the authorization of the appropriation provided in section 803 of the amendment be stricken. That language now reads:

> There is authorized to be appropriated, to remain available until expended, such amounts as may be necessary to carry out the provisions of this chapter.

In view of the concern which arises from that language, to the effect that it may perhaps authorize money to be appropriated for a center which has not yet been created, I suggest that in section 802, line 4, the word "shall" be stricken, and the word "may" inserted in lieu thereof. The Secretary would then be authorized to make a study, but it would not be compulsory upon him to do so.

Mr. SMATHERS. Mr. President, I so modify my amendment.

Mr. JOHNSON of Texas. As I understand, the amendment as now modified provides, in effect, that the Secretary of State, after consultation with the appropriate public and private authorities, may, on or before January 3, 1961, prepare and submit to Congress a plan which Congress may then consider.

I submit that the language in last year's bill in connection with the East-West Institute went even further than the language now proposed goes, and that there is no authorization for any such center in the amendment as modified.

Mr. LAUSCHE. What is the language of the bill now?

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I will yield to the Senator from Ohio in a moment. I yield first to the Senator from Vermont.

Under the language of the amendment as modified, Congress, in effect, says to the Secretary of State, "Please submit to us on or before January 3, 1961, a plan or a program for a North-South Cultural Center, similar to the East-West Cultural Center, on which we have just acted."

Then Congress in its wisdom can act as it sees fit.

Mr. LAUSCHE. The Senator has not answered my question.

Mr. JOHNSON of Texas. I yield to the Senator from Vermont.

Mr. AIKEN. Does the amendment as modified provide for the authorization of funds adequate to make a study?

Mr. JOHNSON of Texas. I would assume that the State Department has such funds available.

Mr. AIKEN. Would the majority leader also assume that by changing "shall" to "may" we are not inferring that we do not care whether a study is made or not?

Mr. JOHNSON of Texas. Not in the slightest. I think we give the Secretary discretion in the matter. I have no doubt that when Congress makes a request in the form of an amendment of this kind, the Secretary of State will be cooperative in the matter.

The minority leader raised a question. In attempting to meet his objection, I felt it would be the better part of wisdom not to make the provision mandatory upon the Secretary of State; but I have no doubt that he will make the study which we request.

Mr. AIKEN. The wording would still indicate that Congress feels it is desirable for the Secretary of State to make the study?

Mr. JOHNSON of Texas. I think it would.

I now yield to the Senator from Ohio.

Mr. LAUSCHE. The Senator from Texas used general language in describing the general meaning of the bill. I should like to know what language will be in the bill. I will then determine for myself what it means.

Mr. JOHNSON of Texas. I will read the language to the Senator:

> In order to carry out the purposes of this chapter, the Secretary of State (hereinafter referred to as "the Secretary"), after consultation with appropriate public and private authorities, may—

Mr. LAUSCHE. That is the change? The word "may" is substituted for "shall"?

Mr. JOHNSON of Texas. The Senator is correct. I continue:

> on or before January 3, 1961, prepare and submit to the Congress a plan and a program—

Then there is spelled out the request of Congress.

Then there is the following:

> AUTHORIZATION OF APPROPRIATIONS
>
> SEC. 803. There are authorized to be appropriated, to remain available until expended, such amounts as may be necessary to carry out the provisions of this chapter.

I know it is the intention of the Senator from Florida to authorize and appropriation only for a study, but the minority leader felt the language might authorize an appropriation for the Center, and that is not the intention of the Senator from Florida. So the Senator from Florida has modified his amendment by striking out that entire section, and now there is no authorization for an appropriation.

If the Department has funds available, the Secretary of State may, after consultation with appropriate public and private authorities, prepare and submit to Congress a plan and a program.

Is there anything else the Senator from Ohio would like to have me state?

Mr. LAUSCHE. No. I shall suggest the absence of a quorum, and then ask for a yea and nay vote on the amendment.

Mr. JOHNSON of Texas. I will not yield for that purpose now if some other Senator wishes to ask a question. If not, and if the Senator from Ohio desires the yeas and nays on the amendment, I will be glad to ask for the yeas and nays and have a vote on the amendment now.

Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, offered by the Senator from Florida [Mr. SMATHERS]. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Nevada [Mr. BIBLE], the Senator from West Virginia [Mr. BYRD], the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from Colorado [Mr. CARROLL], the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. GREEN], the Senator from North Carolina [Mr. JORDAN], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

I further announce that the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

I further announce that, if present and voting, the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Nevada [Mr. BIBLE], the Senator from West Virginia [Mr. BYRD], the Senator from Colorado [Mr. CARROLL], the Senator from Pennsylvania [Mr. CLARK], the Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr KERR], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Ohio [Mr. YOUNG] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BEALL] is necessarily absent.

The Senator from New York [Mr. JAVITS] is absent by leave of the Senate, to attend, as Chairman of the Economic Committee, a meeting of the NATO Parliamentarians Conference, at Strasbourg, France.

The Senator from New Hampshire [Mr. COTTON] and the Senator from Nebraska [Mr. HRUSKA] are absent on official business, as members of the Board of Visitors of the U.S. Military Academy.

The Senator from New Jersey [Mr. CASE] is detained on official business. If present and voting the Senator from New York [Mr. JAVITS] would vote "yea."

On this vote, the Senator from New Jersey [Mr. CASE] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from New Jersey would vote "yea," and the Senator from Nebraska would vote "nay."

The result was announced—yeas 71, nays 5, as follows:

[No. 168]

YEAS—71

Aiken	Cannon	Douglas
Allott	Capehart	Dworshak
Bartlett	Carlson	Engle
Bennett	Case, S. Dak.	Ervin
Bridges	Church	Fong
Brunsdale	Cooper	Frear
Bush	Dirksen	Fulbright
Butler	Dodd	Goldwater
Gruening	McCarthy	Proxmire
Hart	McClellan	Randolph
Hartke	McGee	Russell
Hayden	McNamara	Saltonstall
Hennings	Magnuson	Schoeppel
Hickenlooper	Mansfield	Scott
Hill	Martin	Smathers
Holland	Monroney	Smith
Jackson	Morse	Stennis
Johnson, Tex.	Morton	Talmadge
Johnston, S.C.	Moss	Thurmond
Keating	Mundt	Wiley
Kefauver	Murray	Williams, N.J.
Kuchel	Muskie	Yarborough
Long, Hawaii	Pastore	Young, N. Dak.
Lusk	Prouty	

NAYS—5

Curtis	Gore	Williams, Del.
Ellender	Lausche	

NOT VOTING—24

Anderson	Clark	Kennedy
Beall	Cotton	Kerr
Bible	Eastland	Long, La.
Byrd, Va.	Green	O'Mahoney
Byrd, W. Va.	Hruska	Robertson
Carroll	Humphrey	Sparkman
Case, N.J.	Javits	Symington
Chavez	Jordan	Young, Ohio

So Mr. SMATHERS' amendment was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the amendment was adopted.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The question is on agreeing to the motion of the Senator from Montana to lay on the table the motion of the Senator from Texas to reconsider.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Maryland, who has been extremely courteous, as he always is.

Mr. BUTLER. Mr. President, I reoffer my amendment to strike out, on page 17, line 2, beginning with the semicolon and the word "and," all the language down to and including the word "purposes" on line 8; and I ask for the yeas and nays.

The yeas and nays were ordered.

JOINT MEETING OF THE TWO HOUSES—ADDRESS BY KING MAHENDRA OF NEPAL

Mr. JOHNSON of Texas. Mr. President, the other body has notified us that they desire our presence as soon as possible. They are hopeful we can be in the other Chamber at 12:20 p.m. I do not want to ask any Members of the Senate to withhold any insertions or statements, but unless there is an emergency matter which needs to be acted upon now, I would like to ask consent that the Senate stand in recess until the call of the Chair.

Mr. President, I ask unanimous consent that the Senate stand in recess, subject to the call of the Chair, and I ask Senators to gather at the rear of the Chamber.

There being no objection, at 12 o'clock and 17 minutes p.m., the Senate, preceded by the Sergeant at Arms, Joseph C. Duke, and the Chief Clerk, Emery L. Frazier, and the Vice President proceeded to the Hall of the House of Representatives for the purpose of attending the joint meeting to hear the address to be delivered by King Mahendra of Nepal.

(For the address delivered by the King of Nepal, see House proceedings of today.)

RESUMPTION OF LEGISLATIVE SESSION

The Senate returned to its Chamber at 1 o'clock and 17 minutes p.m. and reassembled when called to order by Mr. HOLLAND.

RETIREMENT OF SENATOR MURRAY, OF MONTANA

Mr. MANSFIELD. Mr. President, it falls to me to announce to the Senate that the distinguished senior Senator from Montana [Mr. MURRAY], my partner and colleague of many years standing, has decided not to seek reelection. May I say that he has done his share and more for the Nation and for the State of Montana, having served more than a quarter of a century in this body—longer than any other in the history of our State. He has earned the right to lighten his burdens of public service, if that is his wish, and it is not for me to presume to deplore his decision.

Nevertheless, I cannot make this announcement of his impending retirement without also noting my deep personal regret when I contemplate the fact that the senior Senator from Montana will not be in his accustomed seat as the next Congress convenes. I will feel his absence in a very personal way. We have been inseparably associated in representing the State of Montana ever since I came to Congress 18 years ago, and particularly in the past 8 years during which I have been in the Senate. For almost two decades we have worked together with the cordiality and cooperation of friends. We have worked together with that full measure of agreement of men trying to do the best they are able to do for the Nation and for their State.

I have learned much from the senior Senator from Montana, in these years of association, something of the meaning of dedication to the public welfare. He did not spare himself. His dedication has been complete and unequivocal. He has served in keeping with the finest traditions of the Senate.

He succeeded a great Senator, Thomas J. Walsh, a man of enormous stature and capability. Nevertheless, he has added his own dimension to the office of senior Senator from Montana. He has fought the good fight many times over, sometimes against great odds and at great personal cost, to bring about a greater equalization of opportunity as among all the States and all the people of the United States. The people of Montana have known the measure of this man, and in choosing him again and again to represent them through five terms in the Senate they have paid their tribute to his greatness.

I shall miss the presence of the senior Senator from Montana. In my heart, I

shall hold him as the senior Senator as long as I live. The Senate and the Nation, too, will miss him. But even as he leaves us for a well-earned rest, he will leave with us a bright and unforgettable remembrance. That remembrance will light the path of fruitful public service for others to come, as it has for me, and even as each of us must strive to do in turn.

May I say to my friend and colleague that you have not only been a great Senator but, perhaps more important, a wise, a tolerant, an understanding, and a fine gentleman.

As a mentor and teacher to me, you have furnished an example of unselfishness and dedication to duty that I will always cherish and remember. Your friendship has been inspirational and to you I owe a debt of gratitude I will never be able to repay.

Mr. President, I wish to read to the Senate at this time the news release from the office of the senior Senator of the State of Montana:

In response to the repeated urgings of members of my family, I have decided to withdraw my petition for renomination to the Senate and have asked Montana's secretary of state to remove my name from the ballot.

My sons have persuaded me that in my 25 years of active service in the U.S. Senate, I have amply discharged my obligations to my State and to my fellow Montanans and that I have won the right to spend by remaining years in less arduous pursuits.

To all my friends in Montana who have supported me these many years and who, I know, would have reelected me had I remained in the campaign, I extend my warm thanks. I promise them in my capacity as a private citizen I shall continue to support programs for the conservation of Montana's resources and the upbuilding of its industries. I shall always be proud of the confidence placed in me by the people of Montana who elected me in five consecutive elections to a seat in the U.S. Senate. I have striven to deserve that confidence and it is my hope that the record I have made here is one in which Montana can take pride.

I will say to my distinguished colleague, the people of Montana and of the Nation all take great pride in your record of outstanding accomplishments over the last 25 years. I know I speak for all of them when I say we are sorry you have made this decision, but we anticipate your contributions wil be many in the future.

Mr. JOHNSON of Texas. Mr. President, it was with a feeling of deep regret that I heard the announcement made by the junior Senator from Montana [Mr. MANSFIELD] concerning the decision of the senior Senator from Montana [Mr. MURRAY] to retire from the Senate at the end of this term. My feeling of regret is tinged with deep pride over the memories of his long and distinguished career. This is a pride which is shared by every Member of the Senate on both sides of the aisle.

Mr. President, JIM MURRAY is a man as rugged as the mountains of Montana. He has the breadth and the vision of the great West. His eyes are fixed now, as they have always been, on the stars. He has devoted a lifetime to serving his people, and those good people have reciprocated his devotion with affection and with constant support.

JIM MURRAY's name always will be associated with thhe State of Montana—always will be associated with the development and the expansion of the West.

JIM MURRAY has fought the good fight. He has fought it for the conservation of our resources. He has fought it for the prosperity and the happiness and the peace of all our people. He has always been at the head of the line in any fight for greater rights for the underdog.

Mr. President, JIM MURRAY has always fought with courage, which has gained him the respect of friend and foe alike. We know that he will continue to seek the goals in which he believes. He may become a private citizen in the sense that he is retiring from the Senate, but he will always belong to the people of this country, whom he has served.

Mr. President, during the 12 years I have been in this body I have known no Senator who has given me greater cooperation or who has been more constantly devoted to the interests of all America. JIM MURRAY is a fearless man. JIM MURRAY is a great humanitarian. JIM MURRAY is a genuine liberal.

Mr. President, as I have said, it was with a heavy heart that I learned of this decision, but as long as I live I shall always remember the kindness, the gentleness, the wisdom which this great man has contributed to me and to the body in which we serve together.

Mr. DIRKSEN. Mr. President, in these delightful associations we have in the Senate Chamber there are characteristics which have different appeals to different people.

JIM, I want to make this a little personal today. As these school youngsters come to talk to us a little bit, they ask, "How long do you work? What are the hours of work of a Senator?" My answer is that a Senator has no hours, for he has no boss. A Senator works according to the inclination and the impulses of the spirit.

I want to say to you, JIM, that you have certainly, in my judgment, been one of the most diligent of public servants I have ever encountered. You have devoted yourself with great fidelity to all the tasks that have fallen to your lot as you saw them, serving your country and your State in a most noble fashion. Your diligence has always appealed to me.

Secondly, I found great appeal in your consistency. When Henry Steagall was chairman of the House Committee on Banking and Currency he once said to me, as a Member of the House, that the most consistent man he knew in public life was William Jennings Bryan. As I think back, I believe that was probably true.

I believe the senior Senator from Montana has been one of the most consistent persons I know. We often misquote Emerson when we talk about consistency being the hobgoblin of small minds. What Emerson really referred to was a foolish consistency.

The senior Senator from Montana has been a consistent person. I have not always agreed with him, but I have paid him great tribute because of the fact that he saw before him a principle and a path of duty marked out, and, without quailing, without shirking, he has walked nobly in the path of duty.

Finally, I pay tribute to his understanding heart. Solomon said to the Lord when he was called to rule over Israel, "Give therefore Thy servant an understanding heart." That is one of the greatest things that can come to a man.

The senior Senator from Montana will remember that it was once one of my political duties to go out and campaign against him in Montana. When I came to Miles City, Billings, and other places I found literature that was highly offensive, and I quickly made a point of it. I said I thought it was a terrible thing that literature of that kind should emanate from my side of the political fence, in an effort to demean the Senator from Montana and indicate certain things that were in derogation of both his character and the duty he had performed here. I eschewed it at once, and did so both publicly and privately.

I remember one occasion when we had dinner together in Miami. The Senator from Montana shook hands with me, and said, "You are a gentleman." I say that the senior Senator from Montana is a gentleman with an understanding heart. He is a dedicated and diligent person, and consistent as he sees his duty.

We shall miss him sorely in this body. We salute him as he continues to manifest a deep, durable, and abiding interest in those causes which he thinks are conducive to the welfare of his fellow men.

Hail to the senior Senator from Montana.

Mr. RUSSELL. Mr. President, it is difficult for me to realize that a full quarter of a century has passed into history since JAMES E. MURRAY came to the Senate. I believe there are only three present Members of the Senate who were here at the time Senator MURRAY entered the Senate. They are the senior Senator from Arizona [Mr. HAYDEN], the senior Senator from Virginia [Mr. BYRD], and myself.

It has been my high privilege, a privilege that I shall cherish as long as I live, to have been intimately acquainted with this great American over a period of 25 years. His colleague [Mr. MANSFIELD] said truly that in this body and in the highest councils of the Nation during periods of great distress, when our institutions of government were under trial, he did his share, and more than his share, in contributing to the upbuilding and preservation of our common country.

Senator MURRAY has a wide variety of interests. Only this week he appeared before the Subcommittee on Appropriations for the Department of Agriculture, over which I am privileged to preside, and again presented his great interest in the development of research in soil and water conservation. That has been one of his interests, but he has had a wide variety of interests, and has pursued them all with intelligence and vigor over a long period of time.

Ever since I first came to the Senate, being the junior member of the class of 1957, JIM MURRAY has extended to me every possible courtesy. Always he has accommodated me, as he does all others, in his gracious and helpful way. I have leaned upon him for advice and for guidance, and I shall greatly miss him when he leaves the Senate.

Mr. President, Senator MURRAY has rendered many years of public service that will not soon be forgotten. He has been a great conservationist. He has been a champion of the West in every aspect of its development.

In taking leadership in sponsoring proposed legislation of major consequences to the entire country, Senator MURRAY has given of himself in the best traditions of a U.S. Senator.

Mr. President, it will be difficult, if at all possible, to replace JIM MURRAY in the Senate of the United States.

I know that all the people of Montana honor JIM MURRAY for the service he has rendered, and share with me and with his other colleagues, our sense of real loss in the announcement that he will not be a candidate for reelection.

Mr. President, I have prepared a statement in tribute to Senator MURRAY; and I ask unanimous consent that the statement be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CHURCH

Those of us who are elected to the Senate from Western States, who are fortunate enough to serve upon it, are ever mindful of the status which the Committee on Interior and Insular Affairs enjoys among our committee assignments. We know the political potency of the argument, whether from using it or suffering its lash ourselves, that membership on this committee is not easily attained, and once attained is not to be relinquished willingly. No more powerful appeal for reelection may be made in the Western States than the one that "my opponent will not be able to take my place on the important Interior Committee." It is made by Republicans and Democrats alike.

I myself eagerly sought assignment to the Interior Committee, and felt myself lucky indeed when I achieved it.

Senate committees are shaped and influenced by great chairmen. The reputation of the Interior Committee as one which gets things accomplished which can be measured and felt by the people of the country is a monument to the greatness of my beloved chairman, JAMES E. MURRAY. My heart is heavy with the news of his retirement.

JIM MURRAY came to the Senate in 1934. The New Deal was then ending its second year, and JIM MURRAY from his first day here was a stalwart worker in the great humanitarian movement which had its genesis in that era. When, 22 years later, I joined him in the Senate, his fire for decency and humanity, for good government, and for wise development of resources, both human and material, burned as brightly as ever.

The man who helped establish the Soil Conservation Service 25 years ago is today in the forefront of the effort to improve and better this service, as he fights to give to the program the research facilities it needs.

This great American is the author of a bill, one which I proudly cosponsor, which will provide a program of Federal aid to education to help us meet the educational challenge of the space age.

This unselfish citizen led the fight to give to all Americans their birthright of suffrage and representation; statehood for Alaska and Hawaii stand as enduring tribute to this leadership.

But there is no excuse for me to review, to a Senate which well knows it, the illustrious carreer of a man whose deeds rank him with those great westerners—Oregon's McNary, Montana's Tom Walsh, Idaho's William Borah, Utah's Elbert Thomas, and, among chairmen still with us, and active, Carl Hayden, Warren Magnuson, Dennis Chavez, and Joseph C. O'Mahoney.

Rather, I think it fitting for me to pay him my personal respects, and to recount a few of the many courtesies and kindnesses he has shown to me.

From the day of my arrival in the Senate I was indebted to JIM MURRAY. For, as the most junior of the juniors in the class elected in 1956, it was weeks before I was assigned space in the Senate Office Building for myself and my staff. With the generosity that is the hallmark of the man, I was welcomed, bag and baggage, into JIM MURRAY'S own office. The fumbling of a new Senator's green staff in his own well-ordered quarters seemed to bother him not at all. I appreciated his hospitality, and we all loved him for it.

On the committee, there was never a question of seniority or privilege, or of partisanship. The committee staff was the staff of all of us; we were welcomed to every subcommittee with the privilege of participation and consultation, whether formally assigned or not; informality and gracious helpfulness has characterized all the business of the committee and his relationships with all its members.

I shall cherish the remaining months of this session and service with JIM MURRAY. I know that I am highly privileged to work closely and to know intimately a great American; and all of us will savor the experience the more as the day of his retirement draws nearer.

Mr. MANSFIELD. Mr. President, there is little more that can be added to the heartfelt tributes which have come from Senators on both sides of the aisle this afternoon.

I can only again express my deep regret that my distinguished senior colleague, Mr. MURRAY, has arrived at the decision not to seek reelection, and say to him that in my mind he will always be a real partner, a true colleague, and the senior Senator from the State of Montana.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DODD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Moss in the chair). Without objection, it is so ordered.

THE FATE OF SUPPLEMENTAL AIR CARRIERS

Mr. DODD. Mr. President, in recent months there has been a growing controversy about the adequacy of the military airlift facilities which would be needed to transport troops to world trouble spots in time of emergency. The capacity of the Military Air Transport Service to adequately perform this vital function is seriously in doubt.

On April 12 the Reed Committee released a report on the Military Air Transport Service. I have studied this report with great interest.

Today I wish to comment on one aspect of it.

Under present procedures, whenever the Government needs transportation which MATS cannot handle, all certificated air carriers, large and small, are eligible to compete on a low bid basis. One of the Reed Committee recommendations would change all this. It would prohibit the small supplemental air carriers from competing by giving preferential treatment to the large trunk lines.

I am not yet prepared to say whether I think the interests of national defense require an increase or a decrease in the present role of commercial carriers with respect to Government cargoes. But I am convinced that to whatever extent our Government awards military personnel and freight cargoes to commercial carriers, it should award them on a competitive basis and it should allow all certificated carriers to participate in the bidding.

The Reed Committee report would eliminate from this competition that class of air carriers which now represents the only ready commercial airlift geared to respond to a national emergency in a matter of hours, not days or weeks—the supplemental air carriers, approved and certificated by the Civil Aeronautics Board, and currently flying over 100 aircraft in day-to-day military air movements.

In awarding certification to these supplemental air carriers, the Civil Aeronautics Board stated:

The supplemental air carriers represent a significant part of the Nation's air transport system and there is a continuing need for their services. They have rendered invaluabled service to the military, both in the Berlin and Korean airlifts, as well as in domestic charter operations The continued existence of their fleet is of real value in terms of national defense and the future ability of the supplementals to serve the military depends upon their ability to operate their planes in commercial activities when not engaged in service to the military. The Board's policy toward these carriers should be directed toward their survival and continued healthy growth, subject to the overall objectives of the act and a proper relationship to the certificated air carrier system.

The Reed report would exclude these carriers and drive them out of business. It would allow less than a handful of the major airlines to participate in MATS business.

On April 21, Lt. Gen. William A. Turner, retiring general of MATS, speaking before the House Committee on Armed Services, said he thought a few of the recommendations made by the Reed Committee must be examined in line with the practical aspects of conducting military operations under emergency conditions.

The General stated:

The Reed Committee also recommends that certficated route carriers be granted the right of first refusal to all Department of De-

fense traffic over their routes. This would, of course, eliminate from competition some very fine supplemental carriers who have contributed a great deal in time of emergency to the Department of Defense airlift needs.

He also said with reference to the Reed report:

The elimination of competition will tend to restrict the growth of the air carrier industry as a whole and it is likely to have a disastrous effect, particularly on the small business concerns of this country.

I agree with General Tunner, and I trust that Air Force Secretary Sharp will recognize the elimination-of-competition aspect of the report, and the first refusal rights for major route carriers as a pure boon to the big airlines—and not sound recommendations for the solution of MATS problems.

I have personally inspected the facilities of the military traffic division of the supplemental air carrier conference, a national trade association here in Washington, and I am satisfied that the supplemental air carrier industry provides an alert, efficient and dedicated relationship with the military in the prompt transporting of troops, and this industry should be encouraged whenever possible and feasible.

In summary, I oppose the Reed recommendation for three reasons:

It would destroy the supplemental air carriers which in important respects are better equipped to respond to a national emergency than the major trunklines which would benefit from their elimination. It would eliminate competition, which is highly desirable where Government contracts are involved. And it would provide another example of small, independent, unsubsidized business being gobbled up by giant competitors, this time through Government action.

I earnestly hope that this Reed Committee recommendation will be disapproved by the Department of Defense. If it is not, I believe there should be a thorough congressional investigation into the entire matter.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 92) creating a Joint Committee on Arrangements for the Inauguration of the President-Elect and the Vice President-Elect on January 20, 1961.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 4781) to amend the Watershed Protection and Flood Prevention Act to provide that its loan provisions shall be applicable to certain other projects, and for other purposes.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 10569) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1961, and for other purposes; agreed to the conference asked by the Senate on the disagreeing vote of the two Houses thereon, and that Mr. GARY, Mr. PASSMAN, Mr. CANNON, Mr. CANFIELD, and Mr. TABER were appointed managers on the part of the House at the conference.

MUTUAL SECURITY ACT OF 1960

The Senate resumed the consideration of the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland [Mr. BUTLER]. On this question the yeas and nays have been ordered.

Mr. FULBRIGHT. Mr. President, I do not wish to proceed without more Members of the Senate present. This is a very complicated amendment and involves aspects of the program which I am sure all Members of the Senate do not fully understand. I do not wish to proceed unless we can get the Senators to the Chamber. I therefore make the point of no quorum, and I ask for a live quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

[No. 169]

Aiken	Goldwater	Martin
Allott	Gore	Monroney
Bennett	Gruening	Morse
Brunsdale	Hart	Morton
Bush	Hartke	Moss
Butler	Hayden	Mundt
Capehart	Hennings	Muskie
Carlson	Hickenlooper	Prouty
Case, N.J.	Hill	Proxmire
Case, S. Dak.	Holland	Randolph
Chavez	Jackson	Russell
Church	Johnson, Tex.	Saltonstall
Clark	Johnston, S.C.	Schoeppel
Cooper	Keating	Scott
Curtis	Kefauver	Smathers
Dirksen	Kuchel	Smith
Dodd	Lausche	Stennis
Douglas	Long, Hawaii	Talmadge
Dworshak	Long, La.	Thurmond
Eastland	Lusk	Wiley
Ellender	McCarthy	Williams, Del.
Engle	McClellan	Williams, N.J.
Ervin	McGee	Yarborough
Fong	McNamara	Young, N. Dak.
Frear	Magnuson	Young, Ohio
Fulbright	Mansfield	

The PRESIDING OFFICER (Mr. Moss in the chair). A quorum is present. The question is on agreeing to the amendment offered by the Senator from Maryland [Mr. BUTLER].

Mr. FULBRIGHT. Mr. President, I wonder if we could have the attention of the Senate on this amendment, which is a little complicated and somewhat technical. I believe it is easy to be misled by it, because there has existed for some time a provision in the Mutual Security Act requiring that 50 percent of the shipments under the act must be made in American bottoms. That has been applicable to shipments from the United States of materials supplied by the United States.

In the bill there is a new provision relating to the Indus River project. This project was negotiated primarily by the International Bank for Reconstruction and Development, headed by Mr. Eugene Black. He made an effort and was successful in enlisting the assistance of five other countries: Australia, Canada, Germany, New Zealand, and the United Kingdom. They contribute to the program. In addition, the International Bank, from its own funds, is making substantial amounts available. So that that is a further non-American participation in the program.

The administration very strongly recommends defeat of this amendment. I have a letter from Mr. Dillon to Mr. Casey of the American Merchant Marine Institute, and I shall be glad to read it, in which Mr. Dillon says that they wish to have the right to a waiver, and that they will not exercise the waiver of the 50–50 clause unless it becomes necessary to do so.

I see no reason why we should not trust the President and Mr. Dillon when they indicated that they would not arbitrarily exercise such a waiver.

The bill gives the right to the exercise of a waiver, however, because the program will go on for 10 years. We do not know how the program will develop. It may be impossible to meet the 50–50 provision. However, in addition, and overriding all of that, if we add this self-serving provision to the bill, we would be inviting the other countries to do likewise. I suppose they would be justified in saying, "Well, we ought to have a percentage of the personnel, as well as the shipping." I believe this would make it an unmanageable operation. It is going to be directed and controlled by International Bank procedures. It is not going to be a MSA operation. It will not be directed and controlled by the MSA.

Mr. Dillon wrote Mr. Casey, president of the American Merchant Marine Institute, as follows:

In seeking an amendment relating to the Indus Basin project we have asked for permissive authority whereunder the President could waive the requirements of the cargo preference legislation with respect to this particular project if he found that the provisions of the cargo preference act could not be fully satisfied without seriously impeding or preventing accomplishment of the Indus Basin project.

I submit that this is an improper application of the 50–50 concept. The purpose of section 404 is to make possible an international approach to the development of the Indus Basin, and this would be defeated if the amendment offered by the Senator from Maryland were accepted.

The letter continues:

As you are aware, the very fabric of the planning for this project rests upon its multilateral character and upon the voluntary agreement, by all of the contributors to the Indus Basin development fund, to refrain from applying to their contributions the national preference requirement—of whatever nature—which would normally govern the use of such funds. Were the United States to apply preferential conditions to its contribution, we could not logically oppose the application of counterconditions on the contributions of other nations. The welter of conflicting national conditions which might be expected to ensue would complicate the administration of the Indus project to the point where the present proposal would no longer be operable.

This is one case where we have succeeded in getting the assistance of other

countries. If it is desired that this country do the whole job, which would mean a much greater expense to us, in order to give the shipping interests a 50–50 break, of course the Senate can indicate its desire. However, it would be a very improvident thing to do.

I wish the RECORD to show the amounts involved. There are several categories of moneys. For us it is dollars; for the United Kingdom, pounds; for Canada, dollars; and so on. The total is $307 million. Of the $307 million in grants, the United States provides $177 million. The United Kingdom gives $58.4 million; New Zealand, $2.8 million; Germany, $30 million; Canada, $23.2 million; Australia, $15.6 million. That makes $307 million, of which, it will be noted, we give a little more than half.

In the loan we have made to Pakistan, of dollars, I do not believe we have applied the 50–50 requirement, because Pakistan uses that money in any way it can for its own development. That is a hard currency loan, not a grant.

Then there is a loan of $80 million in hard currency to Pakistan. That is a loan by the International Bank.

In local currency of the United States, we have made loans and grants equivalent to $235 million. This is the amount I first mentioned. It is in the local currency, which in that country is rupees. The rupees have already been generated largely by the shipment of surplus agricultural commodities, and there is no way in the world to apply the 50–50 principle to them. If the 50–50 arrangement were to be applied to those commodities it was necessary to do so when they were shipped in the first instance.

What we are doing in this part of the bill is to make available the existing foreign currency we already own in the country. We lend India $33 million, and the Bank lends India $23 million, making $56 million. But the only amount which is a grant, to which traditionally the 50–50 arrangement applies in the strictly governmental programs, is the $177 million which we are granting, and which is a part of the first item.

I submit that this amendment would be a very great divergence from the traditional application of the 50–50 program. I hope the Senate will not insist upon the elimination of the waiver provision. The waiver is a right given the President. It provides that under certain conditions the 50–50 arrangement can be waived by him. As the Under Secretary says, the 50–50 arrangement will apply so long as it is feasible. But the President is given the right, when the arrangement becomes infeasible, to waive the 50–50 provision.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. SALTONSTALL. Do I correctly understand that this provision is limited, in the first place, to the Indus Basin development?

Mr. FULBRIGHT. Yes.

Mr. SALTONSTALL. It is limited to that one transaction. The 50–50 provision is not waived in other parts of the world?

Mr. FULBRIGHT. Oh, goodness, no. It applies only to this one program. We have been beaten too often by the Senate on the whole program even to think about that. It is only on this one multilateral program.

Mr. SALTONSTALL. The reason for asking the question in this connection is that it is not only the United States that is involved, but many other countries are involved with the United States in this common transaction.

Mr. FULBRIGHT. That is correct. It is a 10-year program.

Mr. SALTONSTALL. So if we impose restrictions with respect to the Indus Basin development, other countries can impose restrictions also, and it will be very difficult to fulfill the overall contracts.

Mr. FULBRIGHT. I believe that is so. It would be an invitation to them to do that. Here we have, or are about to have, a genuine multilateral program, in which we get assistance, and in which we do not have to carry the whole burden. That is something we ought to encourage. Wherever we have the opportunity to enlist assistance from some of our prosperous allies, we ought to encourage it, instead of discouraging it.

Mr. SALTONSTALL. As the Senator has said, the President would use the privilege of giving up the 50–50 program only if he found it was absolutely necessary.

Mr. FULBRIGHT. That is correct. He so states in the letter. To the extent possible, if in this particular instance it would be necessary to go below 50–50, an attempt will be made to compensate by other shipments under mutual security in other areas. In other words, the level will be raised above 50 percent on shipments possibly to the Middle East, to South Asia, or wherever it is possible to do so. The letter states that that will be done to the extent possible. But where it becomes utterly impossible, then the President wishes the right to waive. If he exercises the right of waiver, he must report that fact to Congress and we can then do whatever seems desirable.

Mr. SALTONSTALL. I thank the Senator from Arkansas.

Mr. FULBRIGHT. I always seem to find myself defending the administration, and that is not a natural role for me. However, in this case the program has been administered very fairly. These figures were supplied to me only this morning.

The total expenditures for freight charges from 1948 through June 1959, for all vessels—and this is under the whole mutual security program—were $1,661,621,000. Of that amount, U.S.-flag vessels received $1,170,582,000. That is 70.5 percent of all those shipments.

I do not know why one would become suspicious of an administration which has gone 20 percent above the requirement of the law concerning the total dollar amount of shipments. Why should there be the suspicion that the administration is trying to undercut the American merchant marine? If anyone should ask me, $1.170 billion is quite a subsidy.

Mr. SALTONSTALL. I am asking the question because I have always been a strong advocate of the 50–50 program. The Indus River development involves many other countries.

I can see that we are involved with several other countries in a very complicated contract. If we insist upon restrictions of our own, it will be difficult for other nations to fulfill their part of contracts they have with us. I wanted the assurance which the Senator has given me that there will be no yielding on the 50–50 program.

Mr. FULBRIGHT. That is not involved at all. Nothing in the report would lead to any such idea.

For the fiscal year 1959—just last year—the total expenditures under the mutual security program for all vessels amounted to $31 million. U.S. vessels received $48,700,000, which is just over 60 percent of the total. That is well above the minimum required by law.

The estimate for the fiscal year 1960, for all vessels, is $85 million, and the total for U.S. vessels is $50 million, an amount which, again, runs to 60 percent.

I think it might be interesting to state for the record, to show that the American merchant marine has not been badly treated, the total operational differential subsidies under the Merchant Marine Act. To June 1959 the amount was $994,443,995. I do not think there should be any real complaint about that. That is simply for operational differential costs.

The cost for the fiscal year 1959 was $154 million. I submit that the advocates and friends of the American merchant marine have nothing to apologize for. They have done an extarordinarily good job, and they deserve appreciation for their lifelong devotion to the American merchant marine. I do not know of anyone who has done so good a job for his particular activity as these people have for the merchant marine. I wish I had as good a record on some of the items in which I have been interested. If I could come anywhere near being so successful in some of the programs in which I have an interest, I would be very proud.

That is not all. The construction differential, estimated residual cost to the U.S. Government, during the same period, 1937 to 1959, was $204,860,850. In this fiscal year alone it was more than $21 million. The total operational differential plus construction differential during the period from 1937 through June 30, 1959—and we obtain this figure by adding together the amounts for those two different kinds of subsidies—came to $1,149,304,845. I cite that, not because it is directly pertinent, but only to show that there is no reason for fear on the part of the merchant marine that it will be scuttled because of a waiver in connection with this one single project under this program. This may be a small matter, but I think it is psychologically very important that we get started with the idea of having participation by the other countries in the entire aid program.

In my opinion, we are not able to do the complete job; and even if we were able to do the complete job, I would

not want our country to attempt to do it. I think we need the assistance of Germany, England, Canada, and the other countries I have mentioned. I hope we shall have assistance from the French and the Italians in bearing the cost. Recently Mr. Dillon went to Europe, to try to promote this very arrangement, by means of conferences with representatives of those countries. I think he has made some progress.

Certainly, Mr. President, in attempting to set up a multilateral program, the worst thing we could possibly do would be to insist on preferences for some of the groups in this country.

Mr. KEATING. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. KEATING. I find myself in somewhat the position of the distinguished Senator from Massachusetts. I have always felt that this 50–50 provision was a sound one. I assume that in that respect my view differs from the view of the distinguished Senator from Arkansas. But certainly I do not want to do anything to discourage other nations from participating in the effort which our country is making to help the less well developed nations; I believe that would be a tragedy.

For a long time I have advocated that other countries do more in that respect. We have helped to get them on their feet, and I believe we have reason to expect them to do more in helping themselves and in helping others.

Let me ask whether this is the first project in our mutual security programs in which we are receiving cooperation from Great Britain, Germany, and the other nations the Senator from Arkansas has mentioned, with which we in the Congress have dealt under the mutual security programs?

Mr. FULBRIGHT. I cannot recall any other, unless we include programs such as that of the International Bank which is an international program: But there, certainly, we do not try to provide for special preferences. So far as I know, under the mutual security operations there is no program of a similar nature.

I may say that the whole negotiations for this were really carried on by the Bank; and the Bank deserves the credit for getting the agreement for Germany, England, and Canada to participate.

Mr. KEATING. Is it correct that the funds which we might appropriate pursuant to this Indus Basin development project, to further it, would be turned over to the Bank, for administration?

Mr. FULBRIGHT. That is correct.

Mr. KEATING. And likewise the funds contributed by the other countries would be turned over to the Bank, would they?

Mr. FULBRIGHT. That is correct.

Mr. KEATING. Therefore, is not this the first time that we in the Congress have been confronted with a proposal for our country to participate in what might be called a joint venture with other nations in this regard?

Mr. FULBRIGHT. With the exception I have mentioned, I believe that to be true. Certainly it is true as regards a direct development project. Certainly the one I have mentioned is a joint project, as the Senator knows.

Mr. KEATING. Certainly I would feel uneasy if I voted for the amendment, if I thought it would upset what we have done in the past. But the Senator from Arkansas has assured us that that is not the intention.

Mr. FULBRIGHT. But the Senator from Maryland has submitted the amendment to strike out the waiver. So I hope the Senator from New York will vote against the amendment, and thus will vote to retain the language which now is in the bill.

Mr. KEATING. If the language now in the bill is retained, and if the amendment of the distinguished Senator from Maryland is rejected, then, as I understand it, the President still will follow the 50–50 provision, unless he is satisfied that to do so would seriously impede or prevent the accomplishment of the purposes of this act.

Mr. FULBRIGHT. That is correct. If the Senator has any confidence in the discretion and program of the President, I am sure the Senator can rely upon the President not to act arbitrarily.

Mr. KEATING. Of course, I have great confidence in the President. Nevertheless, it is our responsibility to lay down guidelines which are to be followed.

The figures the Senator from Arkansas has cited demonstrate how this administration has carried out the mandate that at least 50 percent must be carried in American bottoms.

Mr. FULBRIGHT. That is correct.

Mr. KEATING. The Senator has shown that a considerably larger amount than 50 percent has been carried in American bottoms.

Mr. FULBRIGHT. That is correct.

Mr. KEATING. Therefore, I think that is strong evidence that the President would administer this provision in such a way that he would not depart from the 50–50 arrangement unless he was convinced that it was essential to do so in order to carry out the purposes of the development program.

Mr. FULBRIGHT. I agree completely with what the Senator from New York has said.

Mr. KEATING. How long will this development project last?

Mr. FULBRIGHT. It is a 10-year project. That is one of the things that bothers the administration. Of course we do not know whether in 5 years, in this particular area, it will be possible to compensate, through shipments to other areas, under the MSA, if any decline below 50 percent should occur in regard to the Indus River Basin. We are informed that insofar as possible the administration will compensate by means of other shipments. For instance, suppose there are other shipments into the area, not for the Indus River Basin. We are told that the Executive will try to increase those amounts, so as to make the overall amount at least 50 percent. Only when that can be done will it resort to the waiver.

Mr. KEATING. In that respect, was there not considered a waiver of a character different from this one, which provided for such a situation, and called for compensation by means of the shipments to other areas? Was not that provision placed in the bill?

Mr. FULBRIGHT. The statement about such compensation is contained in the letter from Secretary Dillon to Mr. Casey. In the letter Mr. Dillon stated what he would do. I intend to request that the letter be printed in the RECORD. The material on this subject is in Mr. Dillon's letter to Mr. Casey; in the letter Mr. Dillon explains his reasons for it, and explains what he expects to do, and so forth.

Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD, so the RECORD will be complete, the letter, dated April 11, 1960, from Mr. Douglas Dillon, Under Secretary, to Mr. Casey.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., April 11, 1960.

Mr. RALPH E. CASEY,
President, American Merchant Marine Institute, Inc., Washington, D.C.

DEAR MR. CASEY: I refer to your letter of April 6 regarding the meeting with representatives of the maritime industry on April 5 at which we discussed the proposed amendment to the Mutual Security Act relating to the Indus Basin project. I found the meeting helpful also and hope that it clarified the subject for you.

As I stated at the meeting the executive branch has no intention whatsoever of seeking to depart from the established policy set forth in the cargo preference legislation. In seeking an amendment relating to the Indus Basin project we have asked for permissive authority whereunder the President could waive the requirements of the cargo preference legislation with respect to this particular project if he found that the provisions of the cargo preference act could not be fully satisfied without seriously impeding or preventing accomplishment of the Indus Basin project.

As we have explained to the Congress and to you and your associates, we do not foresee need to exercise this authority in the near future. If the present programs of assistance under the Mutual Security Act were to continue at approximately present levels over the period of time that will be required to complete the Indus Basin project, we could probably be reasonably confident that no necessity to waive the provisions of the cargo preference legislation would arise.

Yet the fact that we anticipate ability to compensate within the regular mutual security program for the required proportion of the tonnage deriving from implementation from the Indus Basin project may tend to obscure the importance which attaches to the requested authority to waive the requirements of the cargo preference legislation with respect to this particular project. As you are aware, the very fabric of the planning for this project rests upon its multilateral character and upon the voluntary agreement, by all of the contributors to the Indus Basin Development Fund, to refrain from applying to their contributions the national preference requirements—of whatever nature—which would normally govern the use of such funds. Were the United States to apply preferential conditions to its contribution, we could not logically oppose the application of counterconditions on the contributions of other nations. The welter of conflicting national conditions which might be expected to ensue would complicate the administration of the Indus proj-

ect to the point where the present proposal would no longer be operable. You will recognize that the amount of time and effort which have been devoted to the achievement of the present solution to the Indus problem have been enormous, and that we may not again be able to arrive at an acceptable solution, should we lose this opportunity. For these reasons, we would not wish to attach any condition of preference to our Indus contribution—although there is no reason to believe that substantial amounts of Indus tonnage would not move on U.S.-flag vessels. Should this amount prove to be lower than that required under the cargo preference legislation, we believe that compensating adjustments in other MSP-financed cargo traffic patterns will obviate the need in the near future to request actual use of the waiver authority. Even if the program of assistance to south Asia declines substantially, we believe that compensating adjustments could hold application of the waiver authority to minimal levels.

As you note in your letter the progress of legislation is such that a bill containing the proposed amendment has been reported by the House Committee on Foreign Affairs. I do not believe that the executive branch should nor appropriately could, withdraw its request for this amendment.

Obviously the matter is one for the Congress to determine and it will have to decide whether it wishes to deny the authority sought. I believe that the authority does not seriously threaten the interest of the maritime industry and that the existence of such authority will provide a useful assurance should the contingency arise which requires its exercise in order to accomplish the important purposes sought through the Indus Basin project.

I believe that you and your colleagues do appreciate the significant objectives which the Indus River Basin project would promote. As you know the delay in the solution of this problem has long prejudiced relationships between India and Pakistan. Progress on this project should be of major significance in reducing international tensions as well as providing major economic benefits in south Asia.

In sum, we have no intention of departing from the established policy on cargo preference. We will exert every effort to avoid any need to exercise the waiver authority which is sought but we believe its possession would be of significant advantage to the U.S. Government.

Sincerely yours,

DOUGLAS DILLON,
Under Secretary.

Mr. KEATING. Mr. President, will the Senator from Arkansas yield further to me?

Mr. FULBRIGHT. I yield.

Mr. KEATING. Was not that provided on page 7 of House bill 11510, as passed by the other body? I refer to the language to the effect that compensating allowances are made in the administration of other programs, in the case of shipments to the same area which the provisions of section 901(b) are applicable.

Mr. FULBRIGHT. That is in the House bill.

Mr. KEATING. Yes; I am referring to the House bill. Would the Senator from Arkansas feel as strongly opposed to language such as that, as he does about the amendment submitted by the distinguished Senator from Maryland?

Mr. FULBRIGHT. Quite so. The administration's letter comments on that, in that, as I explained, the administration will do what it can. But it cannot tell how much the volume of aid will be under the mutual security program to this area, and whether, if it declines—and we hope it will decline—they will be able to compensate.

But the clear statement of the administration is that, if possible, they will compensate in accordance with that language. But they do not wish it to be mandatory.

The point is that, in addition, if it becomes impractical, we want the President to have authority to waive it, if that is necessary—but only in an extreme situation. So the President will have to compensate by means of other shipments into this area, if that is possible. However, they may not be sufficiently large. We hope—I certainly hope—shipments under mutual security into this area will decline.

Mr. KEATING. What is meant by the words "same area?" Can the Senator from Arkansas tell me?

Mr. FULBRIGHT. I think southeast Asia is meant. In other words, there would not be compensation for shipments to South America, let us say. It would have to be for shipments into southeast Asia, where they would compensate in increasing the amount above the 50–50 percent.

Mr. KEATING. Does the Senator from Arkansas feel that to make that arrangement mandatory would be to tie their hands too much?

Mr. FULBRIGHT. That is correct. Not only does the Senator from Arkansas feel that way; it is the way the administration feels. I think, in a multilateral agreement, that special, petty preferences on one little item—this is a small item in the overall program—should not be provided, because it would be clearly resented by other participants in the program.

Mr. KEATING. I thank the Senator.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Kentucky.

Mr. COOPER. I understand the reasons which led the Senator from Maryland and Senators from other States which have large shipping interests to want to maintain the principle which has been followed in the past; and I would say in general it is a good principle. But I wish to raise the issue, if it has not already been raised, of what I think perhaps is a larger interest. The Senator knows that since the partition of India, there has been great tension between Pakistan and India. I think anyone who has been there knows the bitterness of the feeling between the two countries. One of their problems has been the use of the waters of the Indus River. It has been believed that if the differences between the two countries over this river could be composed, the resolution of those differences could lead to and establish a first step toward the easing of tensions, and perhaps toward a final settlement of their differences, over a period of years. So it is of great importance to peace and good relations in that area.

Someone may ask, "Well, of what importance is that to the United States? Both of these countries are friends of the United States." Yet the fact that these differences exist between them make our own relations with those two countries difficult.

The United States has taken the lead in trying to find some way to resolve the differences over the Indus River. Other countries have entered into those negotiations. I think it would be a great mistake, looking to the larger interest of the Nation, looking to the interest of composing the differences between those two countries, and looking to a day when perhaps both friends will not be estranged from the United States because of their own differences, not to make this movement in the right direction.

It seems to me we should adhere to some principle which, in the broad gauge, is of importance to the United States; and if we defeat such a broad and general and desirable purpose as this, we shall be doing something which is injurious to the broad interests of the United States.

Mr. FULBRIGHT. I appreciate the statement of the Senator. I think he is absolutely correct. I will close with one other thought.

The administration is required to report to Congress if it does exercise the waiver. If at that time it should appear that the administration did so arbitrarily, and there was no reason for it except it wished to injure American shiping, and so on, I am certain the Senator from Maryland, the Senator from Washington, and other Senators will raise all kinds of noise in this body. I am certain the administration will not do it without sufficient justification. Congress requires the administration to report any waiver to the Congress.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. BUTLER. The Senator well knows the only thing we could do would be to make a lot of noise, because once this becomes law, the only way we could deal with the situation would be to override a veto of the President. We might talk, but we could do very little about it.

Mr. FULBRIGHT. The Senator shows very little confidence in the President. He is not going to waive this provision arbitrarily.

Mr. BUTLER. It is not a question of confidence in the President of the United States. This is a limitation which would be in effect over a period of 10 years. The State Department has categorically said it does not see any application of it in the foreseeable future.

If Congress were going to stay away and not be in session for 2 or 3 years, there might be some merit to the contention that this provision is needed and there is some reason to put the language in the bill; but the Congress is going to be here. This project will go along the same as ever. All that will happen will be that when American money is used to buy American material in America, half of it will be shipped abroad in American bottoms. We are not interfering with international relations. We are not upsetting anything.

We are saying Congress should retain its power to legislate, and not give it to the executive on a 10-year blanket authority. That is what the language does. That is especially true in view of the fact that the Secretary of State has said he sees no application or need for it.

Mr. FULBRIGHT. I regret very much I do not agree with the Senator from Maryland. I do not agree with the significance of it.

Mr. BUTLER. Let me point out that there is being introduced in legislation of this type, for the first time, the principle that the minute any foreign nation puts money in a project, and commingles its funds with ours, they become international funds, and that all national law should be suspended. I do not agree with that philosophy. This is the entering wedge.

Mr. FULBRIGHT. The Senator from Arkansas did not originate it. It originated with the administration.

Mr. BUTLER. The Senator from Arkansas recognizes the validity of the point I have just made; does he not?

Mr. FULBRIGHT. I think the administration and the International Bank have been very wise in what they have done. This provision has no relation to Arkansas, and there is no interest in it from the standpoint of my State. It is only in the interest of the national welfare, and particularly in trying to get other countries to help us bear this burden. I know the Senator from Maryland would not be interested in appropriating money for the entire cost of this project. He would object to that much more than he does to this proposal.

Mr. BUTLER. I respectfully say there is no reason for it. This will in no way affect the contributions of other nations.

The inter-Indus project will go ahead, whether this language is deleted or remains in the bill. The Senator from Arkansas well knows that.

Mr. FULBRIGHT. I do not know that. I know just the opposite. In my opinion, it is just the opposite.

Mr. BUTLER. In addition, the Senator will not quarrel with the fact that we are putting up 80 percent of the money for this purpose; will he?

Mr. FULBRIGHT. The Senator knows loans made by the International Bank have never been on the 50–50 shipping basis. We cannot lend money and say, "We are going to lend you this money, and you are going to pay it back, and at the same time you have got to pay big subsidies to our shipping." We have never done that. The only way the 50–50 provision would apply would be if international operations and other countries were not involved. The part to which it would apply would be the grant part, which I mentioned, the $177 million provision. That is the part to which it could be applied.

Mr. BUTLER. How will the loans be repaid?

Mr. FULBRIGHT. In rupees.

Mr. BUTLER. In soft currency.

Mr. FULBRIGHT. In rupees.

Mr. BUTLER. If the Government ever does get the money back, it will be paid back in rupees.

Mr. FULBRIGHT. That has nothing to do with shipping. We will be repaid in rupees.

Mr. BUTLER. It has a lot to do with the question that, when American money is being paid out, and when America is being given away, we should be allowed to carry half of the material.

Mr. FULBRIGHT. If the Senator believes what he is saying, that this is a giveaway program, he ought to vote against the whole program. If the Senator does not think this program is in the interest of the country, he ought to vote against it. There is no justification in voting for a giveaway program. If that is what the Senator believes, he should vote against the program. I do not believe it is a giveaway program.

Mr. BUTLER. Does the Senator believe a $177 million grant is not a giveaway? If it is not a giveaway, what is it?

Mr. FULBRIGHT. It is an investment in the security of this country.

Mr. BUTLER. To build a dam in the Indus Basin?

Mr. FULBRIGHT. That is correct.

Mr. BUTLER. It may be, or it may not be.

Mr. FULBRIGHT. That is what the President asked.

Mr. BUTLER. It may work against the United States. Nobody knows.

Mr. FULBRIGHT. The President asked for this on that basis. The President has said time and time again that the program, including this part of the program as well as the rest of it, is in the interest of the security of the United States. I have never heard the present President or any other President say to the Senate that we are a charitable institution, an eleemosynary institution, and that all we are doing is looking for places to throw money away.

Mr. BUTLER. Mr. President, will the Senator yield for a further question?

Mr. FULBRIGHT. If the Senator believes what he says, he should never vote for the program.

Mr. BUTLER. I should like to ask the Senator one more question.

Mr. FULBRIGHT: I yield.

Mr. BUTLER. If the amendment fails, even though the State Department has said it can see no use whatever it could make of the language of the bill, it could, nevertheless, the day after the bill became law, put a waiver into effect and deprive American ships of their due proportion of the carrying business, could it not?

Mr. FULBRIGHT. If the Senator wants to assume that these men are liars and are deceitful, that they are against American shipping, they could do so, but I do not think that is the case. I think these men mean what they say.

Mr. BUTLER. Very well.

Mr. FULBRIGHT. These men have given us their solemn assurance, in their letter, that they have no such intention.

Mr. BUTLER. How about the incoming administration? Is there any reason why a new administration should live up to these assurances?

Mr. FULBRIGHT. Most certainly there is.

Mr. BUTLER. Have we any real assurance that a new administration will do so?

Mr. FULBRIGHT. That is the tradition in this country. I have no doubt, regardless of which party wins the election, the administration will live up to the solemn declaration by the Under Secretary of State. I do not see any justification for assuming that these men are trying to sabotage the American merchant marine. That is the reason I read the figures.

The Senator from Maryland surely ought to be satisfied with the enormous subsidy which has been paid out by the country to support the merchant marine.

Mr. BUTLER. If there is such an enormous subsidy which has been paid——

Mr. FULBRIGHT. The reason, of course, is that it costs twice as much to carry the cargo.

Mr. BUTLER. Then why are the President of the United States and the Department of Defense so gravely worried at the present time about the state of the American merchant marine, and how woefully deficient it is? How does the Senator add those things up? They do not add up.

Mr. FULBRIGHT. All I can say is that American shipping has probably been subsidized to such a great extent that the shippers have lost most of their initiative. That often happens to companies and to people when they are not left to exercise a little ingenuity on their own.

Mr. BUTLER. I say to the Senator from Arkansas that there is one American shipping company which has returned to the Treasury of the United States every dollar of subsidy it has ever received, and other companies are returning a high proportion of their subsidies. They are not so laggard as the Senator seems to think. Like all other Americans, the merchant marine is trying to do a good job at the lowest possible cost.

Mr. FULBRIGHT. I am not trying to attack shipping. I have simply supplied the figures which were given to me.

Mr. BUTLER. The Senator is not attacking shipping, but he is trying to take the cargoes away.

Mr. FULBRIGHT. I think the Senator from Maryland ought to be proud of the tremendous job which he and his colleagues have done in getting these subsidies. I wish I could do something like that for some of the poor little programs with which I am associated. The Senator ought to be proud of his job, and not belittle it at all.

Mr. KEATING. Mr. President, will the distinguished Senator from Arkansas yield to me?

Mr. FULBRIGHT. I am ready to yield the floor, but I am glad to yield to the Senator from New York.

Mr. KEATING. I should like to clarify one point. I think the Senator from Arkansas and the Senator from Maryland have proceeded on an assumption which may very well be true, but I wanted to have the point clarified, so

that if we leave the language in the bill it will be understood. This is for the whole 10-year period?

Mr. FULBRIGHT. That is correct.

Mr. KEATING. If it were to be mismanaged by the President or by any successor, would it not be open to us to make a different provision, as we made the yearly appropriations thereafter?

Mr. FULBRIGHT. I would certainly think so.

Mr. KEATING. That is my impression.

Mr. FULBRIGHT. Any waiver has to be reported. If there is a waiver the language expressly requires that it will have to be reported to the Congress. At that time, I am sure, there would be a grave questioning of the matter, and of the justification for the action. The action would have to be justified.

Mr. KEATING. In other words, the Senator from Arkansas has indicated that the Senator from Maryland and others might yell about it. Not only could they yell about it, but I might well yell about it also. In addition, would it not be open to change by us, if there were what we felt was improper management of the provisions of the law? Would the matter not be open to us, to make a revision in the annual appropriations to the bank, for the administration of the fund from year to year?

Mr. FULBRIGHT. I think that certainly could be done. I think the only deterrent would be the wisdom of it under the then existing circumstances.

Mr. KEATING. I agree with the Senator on that point. I thank the Senator for helping to clarify the matter.

I wish to very emphatically express agreement with the views advanced by the distinguished Senator from Kentucky. I lived in India for some 3 years, and I know how very serious is this area of tension between India and Pakistan. It is the hope and the prayer of many that this development project, in which our country is engaging, along with others, will be a source of removal of those tensions and will permit these two great countries to live in peace and in harmony. I certainly think it is a most important single factor in that regard. I would not want to cast any vote which in any way would interfere with the fine development of this basin.

Mr. FULBRIGHT. I thank the Senator very much.

Mr. BUTLER. Mr. President, will the Senator yield to me for a half minute?

Mr. FULBRIGHT. I yield.

Mr. BUTLER. I simply want to clarify the RECORD. As the Senator knows, I have been very close to this 50–50 program.

Mr. FULBRIGHT. I surely do know that.

Mr. BUTLER. I have worked on it, with the Senator from Washington.

Mr. FULBRIGHT. I realize that. I give the Senator full credit.

Mr. BUTLER. I have been close to the program. I have seen many assaults which have been made on it. I have seen the cunning of those assaults.

I do not make the statement on the floor of the Senate that this is the beginning of a way to undermine the 50–50 program. I do not make that statement, because I do not honestly believe it is true. However, this could very well be the broad way the whole 50–50 program could be set aside. All we would need to do is to transfer the mutual security money in any quantity we want to an international bank, and out would go the 50–50 program. We all know that.

This represents the establishment of a policy which could destroy the 50–50 program. I do not say it is being done deliberately, but it is something which could destroy the program. It is my duty to bring that to the attention of the Senate.

Mr. FULBRIGHT. Of course, I think the national interest would be well served if, in the entire program of development in the underdeveloped part of the world, we could obtain participation by these other countries on a basis such as that represented in this approach. Our whole Government would save an enormous amount of money if we could get such participation.

If the Senator from Maryland, in order to save the 50–50 program, wants the United States to undertake the whole program, he is entitled to want that done. That is the alternative to this kind of program. I do not think it would serve our purposes. It would be vastly more expensive for us.

Mr. President, I only wish to invite the attention of Senators to the fact that the committee, on page 52 of its report, paid special attention to this matter, when it said, near the bottom of the page:

> Notice shall also be given to the Committee on Foreign Relations of the Senate and the Speaker of the House of Representatives of any determination under the first sentence of section 451 (except with respect to unvouchered funds) and under the last clause of the second sentence of section 404, and copies of any certification as to loyalty under section 531 shall be filed with them.

In other words, we especially invite attention to the fact that the Committee on Foreign Relations of the Senate and the Speaker of the House of Representatives would be notified of any waiving. We did not overlook the matter. We tried to make it as plain as we could.

Mr. President, I yield the floor.

Mr. MAGNUSON. Mr. President, I shall be very brief. I should like to speak much longer.

In the first place, this question has nothing to do with the merits of the proposal to do something with the Indus River. The Senator from Maryland and I are for that project, and I have been for such proposals as long as the Senator from Arkansas has, as long as I have been in the Congress.

Second, the question has nothing to do with other countries participating in the World Bank.

Third, I do not know why other countries would fail to go into the program because we suggest hauling some of the cargo in American ships. The Senator from Arkansas says that if we want to destroy this kind of program all we have to do is to insist on the 50–50 policy, which has absolutely nothing to do with it. Why should any other country which wants to go into the program fail or refuse to go into it because we suggest hauling some of the cargo in American ships?

Fourth, I cannot find a bit of testimony by any witness to the effect that the proposed waiver is needed. There may be such testimony, but I do not find it.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. FULBRIGHT. No one ever conceived of the possibility of trying to insist on the 50–50 policy in this kind of program under the Internatonal Bank. It has never been done; and, of course, there is no testimony on the subject. The reason why I have the letter to which I have referred is the amendment made in the House, in an effort to impose the 50–50 arrangement. Of course there is no testimony on it. There is testimony on the Indus River Basin.

Mr. MAGNUSON. There is no testimony on this question at all.

Mr. FULBRIGHT. There is no testimony on the 50–50 policy because it never occurred to anyone that the 50–50 policy would be sought to be applied to this kind of project, because it is so unsuitable.

Mr. MAGNUSON. This is typical of the State Department. Every time it has an opportunity, in connection with some bill, to suggest a waiver of the 50–50 policy, it does so.

The Senator from Arkansas said that the Senator from Maryland and others may not have much faith in the State Department when the Department says it will make up for the difference. The truth of the matter is that the State Department has always been opposed to the 50–50 provision. It has been opposed in principle, and outspokenly opposed. It has tried on every occasion possible to weaken it.

Where this waiver proposal comes from, I do not know, but it was in the testimony. It has nothing to do with the subsidies on American ships. The only reason for the 50–50 provision, which we tried to put into other bills, is to give American ships some cargo, so that we shall not have to pay such high subsidies.

Mr. FULBRIGHT. This is a subsidy.

Mr. MAGNUSON. That is the only reason for it.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. FULBRIGHT. I do not see what the Senator means. This is a subsidy. This is a disguised subsidy. These goods could be shipped in other ships, at less than is charged in American ships. This is a subsidy, only it is disguised under the 50–50 provision.

Mr. MAGNUSON. I think the Senator does not quite understand. We have a law which provides that if ships are to fly the American flag we will pay the difference between foreign operating costs and what it costs to operate American-flag ships. That is the subsidy to which the Senator referred.

That runs for 24 years. We pay that subsidy under the law. Also, under the Merchant Marine Act of 1936, if a company makes more than 10 percent profit, there is a recapture, and that money comes back. The more American ships operate, the more cargo they haul, and the less we have to pay in subsidies. We say that, so long as we are paying out our money to go overseas to help people, the least we should do is to give our American-subsidized ships a chance at the cargo, so that we will not pay out as much in subsidies to keep them operating. This is a subsidy, in that we are going to put the cargo on American ships.

I know where this proposal comes from. This is not to satisfy India or Pakistan. They do not care anything about it. This is to satisfy Great Britain. Great Britain has conducted a consistent compaign in the State Department and out of the State Department, ever since we adopted the 50–50 provision. The British have been against it. They have even held meeting on the subject. They held a meeting here this spring, in the hope that that provision would be eliminated. The State Department has recommended that we eliminate it in connection with the agricultural program.

The State Department has said publicly and privately for years that it is opposed to the provision. That is why the Senator from Maryland and I—at least, I speak for myself—have not much faith in what the State Department or Mr. Dillon says in the letter. He did not say so in the testimony. That is why we suggest that if the State Department wants to turn about, and believes in this sort of thing for the American merchant marine, the House amendment would not be harmful. It provides for compensating allowances which are made in the administration of other programs in the same area.

It is my understanding that if the House amendment were put in, the waiver would still be there. I may be mistaken about that; but it is merely a safeguard, because we know the attitude of the State Department with respect to the 50–50 provision.

Mr. GRUENING. Mr. President, may I address an inquiry to the Senator from Washington or the Senator from Arkansas?

Mr. MAGNUSON. I do not know whether I can answer the Senator's question.

Mr. GRUENING. I note in the record that the total cost of the Indus River project will be $1 billion, and that of that $1 billion the United States has obligated itself to pay $515 million, or a little more than half.

Is it not reasonable, therefore, that 50 percent of the shipping should go in U.S. bottoms, leaving 50 percent for the other nations. I find myself puzzled as to why that is not logical, and why, therefore, the amendment of the Senator from Maryland should not prevail, in order to have an equitable distribution of the freight carrying, in proportion to the amount of money the nations involved are spending on the Indus River development project.

Mr. MAGNUSON. The other nations which are putting something in are claiming a part of the shipping. For example, the United Kingdom says that 60 percent of its cargo should go into its ships.

Mr. FULBRIGHT. In what kind of program?

Mr. MAGNUSON. In any foreign program in which they participate.

Mr. FULBRIGHT. I do not know of any program comparable to this. Is the Senator asserting that under the Indus Basin project, with respect to the part the United Kingdom gives, $58 million, they are going to insist that 60 percent go in United Kingdom bottoms?

Mr. MAGNUSON. Yes.

Mr. FULBRIGHT. I do not believe it. Does the Senator have any proof of that?

Mr. MAGNUSON. Yes. That is what they have been carrying.

Mr. FULBRIGHT. I should like to see the proof which the Senator has.

Mr. MAGNUSON. I will put it in the RECORD.

The Senator from Arkansas mentions figures as to the cost. Some 70 percent has gone in American ships. Fifty percent was only the minimum. There is no reason why 100 percent should not go in American ships if they were available; but it costs more to operate American ships.

Mr. FULBRIGHT. Why does it cost more?

Mr. MAGNUSON. Mainly because of increased labor costs. We could send American goods to Pakistan and India in ships flying the Greek flag, with Italian officers and an Indian crew, ships owned by a British company, and get the goods there much cheaper. But I do not think that is the way we want to do business.

I do not care whether it is rupees or dollars that are involved. If we have rupees over there, we pay them some dollars to have the rupees. It is all outgo.

Mr. FULBRIGHT. We gave them wheat mostly.

Mr. MAGNUSON. It is all outgo. We paid for the wheat. It all comes out of the pockets of the taxpayers. What we are trying to do is to say that when the American taxpayer is paying the bill to keep the American merchant marine alive, perhaps we should encourage some of the shipments to go in the American merchant marine, so that we shall not have to pay such high subsidies.

That is the whole purpose. I do not know why the State Department always tries to knock out the 50–50 provision. As the Senator from Maryland knows, this is put in every bill, and how it got into this bill I do not know. Apparently they need not have mentioned it at all, because the Department of State says that they do not intend to use the waiver. They did not testify to the language. Of course they did write a letter to the chairman of the committee later, after the House had put some language in the bill. I do not think that anyone would say that if we left it as it is and did not include a waiver, that these countries would not participate.

Great Britain makes that kind of a threat all the time with respect to the 50–50 provision. The State Department has been against it. I do not say that the State Department is determined to submerge the American merchant marine. However I do not know that they have been of any particular help to it at any time. I can remember one time when I had a very difficult time getting the State Department to suggest to its employees that if and when they travel on official business they travel in American ships, if space is available. I had a very difficult time with that proposition. They traveled on the *Queens* and on French ships and on Italian ships.

I want to tell the Senate that if any Englishman traveled to his post on an Italian ship, he would be recalled before he got there. They would radio him on the way.

It is not pleasant for the Senator from Maryland and me to stand here defending this 50–50 arrangement. We are trying to keep the American merchant marine flying the American flag. This is no bonanza for the American merchant marine. That is not it at all. He would probably be in much worse shape so far as the American merchant marine is concerned if we did not have the 50–50 cargo arrangement. This has kept it alive in some cases, particularly with respect to some of the nonsubsidized lines—the tramps and the freighters.

I do not know why it is that every time someone suggests something about the American merchant marine this kind of situation arises. Unless we keep this kind of arrangement, we will not do for the American merchant marine what should be done.

I do not know why this provision should be in the bill at all. I cannot for the life of me see why any countries who are participating in this project—even though it is demonstrated how much they are participating, half of it will come out of our pocket anyway—that they will not participate if we have a 50–50 arrangement in the bill. That has no bearing on it at all.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. MAGNUSON. I have prepared some remarks on this subject, and I ask unanimous consent to have them printed in full in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAGNUSON

INDUS BASIN DEVELOPMENT—SECTION 204(E)

The mutual security proposals of the Department of State currently before our Congress contain an item of great interest; namely, the Indus Waters project. This project is significant both from its humanitarian intent, involving the future welfare of 40 million people who live in the Indus Basin, and because it promises the possibility of an early settlement of a major dispute which since 1947 has embittered the relations between India and Pakistan. This project is also significant for a third reason. It is a proposal which departs from our normal bilateral approach to foreign assistance and contemplates a cooperative multilateral effort to be taken with five other friendly governments for the financing of this huge program.

Section 404 of the bill contains a provision that such funds as may be appropriated may be used in accordance with requirements, standards, or procedures established by the Bank, rather than with requirements standards, or procedures concerning such matters set forth in this or other acts. Among the U.S. requirements which would be set aside are the provisions of the Cargo Preference Act. This would be accomplished by providing that funds appropriated for this Indus Basin project may be used without regard to the provisions of section 901(b) of the Merchant Marine Act of 1936, as amended, whenever the President determines that such provisions cannot be fully satisfied without seriously impeding or preventing accomplishment of such purposes.

I can assure Senators that no one is more interested than I in a project of this nature. At the same time, I can assure you that no one is more concerned than I that this action with respect to our protective maritime statutes might be taken on an arbitrary basis which would be detrimental to our workers and our industry.

Witnesses of the executive department have testified and the State Department has publicly announced that there is no immediate need for any waiver of this shipping statute and, in fact, there may never be such need. The concern of the State Department appears to center around the fact that U.S. funds would be commingled with some funds of other countries, and that these other participants and the International Bank might find our contribution unacceptable unless there was a clear-cut separation of our statutes from anything having to do with this project.

Let us not forget that the United States will be putting up some $515 million and five other participating countries are only putting up $130 million. In addition, the World Bank, which will be administering the project, is making a contribution of $103 million. I am given to understand it has been made clear that since the Indus Basin project is only part of our total mutual security program, and since the Cargo Preference Act does not require administration on an individual project basis, there is, in fact, absolutely no justification for seeking this waiver provision.

Substantial as these sums are, as we all know, this Indus project is but a small part of our mutual security programs. The 50–50 law can be fulfilled by applying it to the total foreign assistance program for the area. This fact is well known to the Department of State and they have admitted that if our foreign assistance programs continue any where near as at present there would not be any possibility of complications arising with respect to the Indus Basin project. In other words, both from an administrative point of view and from the point of view of any need for present action, there is absolutely no justification for any waiver authority at this time. This is, in fact, confirmed by the Senate committee's report on the bill on page 18, second sentence.

I cannot fail to observe that right from the beginning there has been very arbitrary action in connection with this legislative proposal. My colleagues will recall my comments on March 18 (CONGRESSIONAL RECORD, p. 5544). When I reminded them that this waiver proposal has been put forward without any consultation with the agency of our Government most directly concerned with the state of our merchant marine. Not only were no consultations held in advance but, now that the facts are out in the open, it is obvious that this whole proposal is unnecessary.

I am, therefore, extremely concerned that the State Department's request to set aside this item of our national law is a symptom of a broader attack on our maritime industry. Is the Department, in effect, preparing to sacrifice our maritime industry as a capricious stunt in the guise of international harmony—using this vague problem of cargo preference administration as a flimsy justification. I surely hope that this is not the case. But frankly I can attribute it to no other cause since no other action could greater please the designs of our European maritime competitors.

The existence of such a waiver authority in connection without mutual security legislation would establish a precedent which strikes at the heart of our maritime industry and its labor and all that this industry is doing to contribute to our commerce, our balance of international payments, and our defense readiness. But beyond that, and this should be the concern of every Member of this body, it is giving approval to the philosophy of allowing an administrative agency to set aside any national law on the flimsiest possible pretext. Certainly if this need for a waiver should arise 5, 6, or 8 years from now and an actual problem is demonstrated. That will be time enough to turn this authority over to the administrative agency. To withhold this provision now will do no harm to the Indus Basin project. Yet to grant it now could mean great harm to our estabilshed policies. I therefore move to strike the last clause of the second sentence of section 404 of this bill, and the related reference to this clause in section 401(c).

Mr. MAGNUSON. I do not wish to be understood as being opposed to the project. That has nothing to do with what I am saying. It is a fine program. It is going to cost $500 million. That may be all right. It is pretty hard to get the money to build a dam in the State of Washington, however.

Mr. GRUENING. Or in Alaska.

Mr. MAGNUSON. That is correct. It is said we cannot afford that, but we can afford $500 million for this project. I am for both.

Mr. GRUENING. Mr. President, will the Senator yield, so I can address an inquiry to the chairman of the committee?

Mr. MAGNUSON. I yield.

Mr. GRUENING. I understand that the total cost of the project will be $1 billion, of which the United States is obligating itself to pay a little more than half, or $515 million.

Is there anything unreasonable in asking that the United States should have an equitable proportion of the shipping? That is exactly what it would get if the Butler amendment were to prevail, and what it may not get otherwise since the bill without the amendment scraps the 50–50 provision.

Mr. FULBRIGHT. All I can say is what I have already said about it. I tried to explain the figures in the bill. This is an agreement that has been negotiated by the International Bank. It is not an MSA undertaking.

Mr. GRUENING. The money comes from the United States, to the extent of $515 million.

Mr. FULBRIGHT. $177 million of it. I have said more than four times that it is $177 million. That is the grant in dollars. That is the U.S. part of the total foreign exchange grants of $307 million. The rest of it is in loans, which are from this country or from the bank or in foreign currencies. In these categories the traditional 50–50 concept would hardly apply.

Mr. GRUENING. Is the House report in error in reporting at page 37 that the total cost of the project is estimated to be slightly more than $1 billion, of which the United States would pay $515 million?

Mr. FULBRIGHT. Well, I cannot make it any plainer than I have already made it.

Mr. GRUENING. This is the report of the House committee. I imagine it is not incorrect. It breaks the U.S. contribution down into the various parts, but it totals $515 million.

Mr. FULBRIGHT. That includes the grant of $177 million. There are also loans to India and to Pakistan, including loans of rupees. In these loans the 50–50 provision does not apply. If we make a loan to a country it pays interest, or is supposed to pay the interest and pay back the loan. Sometimes they pay it in dollars; other times in local currency, depending on the program. This provision does not apply to loans of local currency that already are owned by this country in India. Those loans are generated under Public Law 480. There has never been any application of the 50–50 concept to such loans. Those are the figures that add up to $500 million. The part that would normally be affected by the 50–50 provision is $177 million.

Mr. LAUSCHE. Mr. President, will the Senator yield so that I may answer the question of the Senator from Alaska?

Mr. FULBRIGHT. I should be delighted to have the Senator answer it. I should be very happy if he would answer it.

Mr. LAUSCHE. At page 173 of the testimony before the Senate committee there is set forth by the State Department the figures concerning this project. It shows that the contribution of the U.S. Government was to be $515 million, exactly the figure given by the Senator from Alaska.

Mr. GRUENING. Yes.

Mr. LAUSCHE. That $515 million, however, is broken down as follows: $177 million in grants; $103 million in loans; and $235 million in local currency. That constitutes our participation in the program.

The other nations, which include Australia, Canada, West Germany, New Zealand, and the United Kingdom, are to make grants in the amount of $128 million. The World Bank is to lend $103 million to Pakistan and India. My recollection is that the testimony of the State Department was to the effect that the project would entail a cost of about a billion dollars, evaluating local currency as if it were actually American dollars.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Washington yield to me?

Mr. MAGNUSON. I do not have the floor.

Mr. JOHNSON of Texas. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Washington has the floor.

Mr. JOHNSON of Texas. The Chair says the Senator from Washington has the floor.

Mr. MAGNUSON. Then I yield to the Senator from Texas.

ORDER OF BUSINESS—ORDER FOR RECESS TO 10 A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, it appears that it will not be possible to conclude action on the bill this evening. It is desired to conclude action on the pending amendment. Therefore, I ask unanimous consent that when the Senate concludes its deliberations today, it adjourn until 10 o'clock tomorrow morning; and that following the morning hour tomorrow, there be not to exceed 1 hour of debate on each amendment, to be equally divided between the proponent of the amendment and the majority leader, if he is not opposed to the amendment; and that there be not to exceed 2 hours of debate on the bill, the time to be equally divided.

The exact wording of the agreement will follow the usual form which is at the desk.

Mr. MAGNUSON. Mr. President, will the majority leader yield?

Mr. JOHNSON of Texas. I yield.

Mr. MAGNUSON. The Senator from Maryland [Mr. BUTLER] is in the Chamber. Many Senators desire to leave soon. Some have already gone. I wonder if we might also have as a part of the agreement that the Senate will vote on this amendment tomorrow with, say, 10 minutes to a side, or 15 minutes to a side, at the most.

Mr. BUTLER. Mr. President, is there any possibility of disposing of the amendment now?

Mr. MAGNUSON. Mr. President, I yield to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I send to the desk nine amendments to the pending measure and ask that they be printed and lie on the table.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table.

Mr. JOHNSTON of South Carolina. Mr. President, I have an amendment at the desk. I ask that it also be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table.

Mr. MAGNUSON. Mr. President, I yield to the Senator from New York.

Mr. KEATING. Mr. President, I desire to ask another question for the purpose of clarifying the situation, and the doubt is raised by the remarks of the Senator from Washington. As I understand the statement of the Senator from Arkansas, only $177 million is involved, to which the Merchant Marine Act of 1936 would apply in any event, whether or not this provision is included in the bill.

Mr FULBRIGHT. That is my understanding.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the unanimous-consent agreement previously entered be modified so as to include 15 minutes to each side on the Butler amendment, and 15 minutes to each side on the so-called Douglas amendment, the Douglas amendment to follow action on the Butler amendment. I hope that the Senate can conclude action on those amendments this afternoon.

Mr. KEATING. Mr. President, reserving the right to object, does the Senator from Illinois feel that 15 minutes is sufficient for the presentation of his amendment?

Mr. DOUGLAS. Yes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. JOHNSTON of South Carolina. Does that concern only two amendments?

Mr. JOHNSON of Texas. No; it concerns all amendments.

Mr. JOHNSTON of South Carolina. I expect to speak for an hour on my amendment.

Mr. JOHNSON of Texas. The Senator can take some of the time allotted for debate on the bill, and I assure him that, if necessary, I will call up another amendment to provide sufficient time for him.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The unanimous-consent agreement to limit debate on S. 3058, to amend further the Mutual Security Act of 1954, as amended, and for other purposes, reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Friday, April 29, 1960, at the conclusion of routine morning business, during the further consideration of the bill (S. 3058), to amend further the Mutual Security Act of 1954, as amended, and for other purposes, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Provided further, If a yea-and-nay vote is ordered on any amendment, the vote will be postponed until Monday, May 2, 1960, at which time, before each rollcall vote, the proponent of any such amendment will be entitled to an additional 5 minutes with 5 minutes in opposition thereto, controlled under the same conditions set forth above. Likewise, debate on any other motions or amendments shall be limited to 10 minutes and equally divided as set forth above.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. MAGNUSON. Mr. President, is it clear that we shall vote on the Butler amendment tomorrow?

Mr. JOHNSON of Texas. No; we shall vote this evening. Fifteen minutes has been allotted to each side. Then we shall vote on the Douglas amendment tonight, 15 minutes to a side having been allotted to that amendment.

Then, except for the transaction of routine business, it is planned to have the Senate convene at 10 o'clock tomorrow morning. That is a part of the agreement.

Mr. MAGNUSON. I thank the Senator.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that, notwithstanding the unanimous-consent agreement just entered, I may be permitted to announce certain bills cleared this week by the policy committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I ask for the attention of the minority leader.

The following bills have been cleared by the policy committee:

Order No. 1304, H.R. 9861, to continue for a temporary period the existing suspension of duty on certain istle or Tampico fiber.

Order No. 1305, H.R. 9862, to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing.

Order No. 1307, S. 1857, to promote the foreign trade of the United States in grapes and plums, to protect the reputation of American-grown grapes and plums in foreign markets, and for other purposes.

Order No. 1308, S. 2618, to authorize the exchange of certain war-built vessels for more modern and efficient war-built vessels owned by the United States.

Order No. 1309, H.R. 6482, relating to the credits against the unemployment tax in the case of merged corporations.

Order No. 1310, S. 3387, to authorize appropriation for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

Order No. 1311, S. 3106, to change the title of the Assistant Director of the Coast and Geodetic Survey.

Order No. 1312, S. 3189, to further amend the shipping laws to prohibit operation in the coastwise trade of a rebuilt vessel unless the entire rebuilding is effected within the United States, and for other purposes.

Order No. 1313, H.R. 9084, to repeal certain retirement promotion authority of the Coast and Geodetic Survey.

Order No. 1314, H.R. 4049, to amend the Federal Aviation Act of 1958 in order to authorize free or reduced rate transportation for certain additional persons.

Order No. 1315, House Concurrent Resolution 582, providing under section 3(e) of the Strategic and Critical Materials Stock Piling Act the express approval of the Congress for the disposal from the national stockpile of approximately 470,000 long tons of natural rubber.

Order No. 1317, S. 3019, to provide for certain pilotage requirements in the navigation of U.S. waters of the Great Lakes, and for other purposes.

Order No. 1318, S. 1781, to provide for cooperative unit programs of research, education, and demonstration between the Federal Government of the United States, colleges and universities, the several States and territories, and private organizations, and for other purposes.

Order No. 1319, S. 3058, to amend further the Mutual Security Act of 1954, as amended, and for other purposes. That bill is the pending business.

Order No. 1320, H.R. 10550, to extend the Export Control Act of 1949 for 2 additional years.

Order No. 1321, S. 2575, to provide a health benefits program for certain retired employees of the Government. That bill is scheduled for action, but with reservations which have not yet been cleared up. Further notice will be given before that bill is brought up. I have talked with the Senator from Delaware about it, and it is not yet completely clear what disposition will be made of the bill.

Order No. 1323, H.R. 8241, to amend certain provisions of the Civil Service Retirement Act relating to the reemployment of former Members of Congress. That bill also is scheduled provisionally.

Order No. 1324, Senate Joint Resolution 166, authorizing the Architect of the Capitol to permit certain temporary construction work on the Capitol Grounds in connection with the erection of a building on privately owned property adjacent thereto.

Order No. 1325, H.R. 10045, to amend the act entitled "An act to provide better facilities for the enforcement of the customs and immigration laws," to increase the amounts authorized to be expended.

Order No. 1326, H.R. 11415, to provide for the designation of a portion of the District of Columbia as the "Plaza of the Americas."

Order No. 1327, S. 3072, to authorize the Secretary of the Treasury to effect the payment of certain claims against the United States.

Order No. 1328, H.R. 8289, to accelerate the commencing date of civil service retirement annuities, and for other purposes.

The policy committee has also previously cleared Calendar No. 950, S. 2653, to amend the Communications Act of 1934, to establish jurisdiction in the Federal Communications Commission over community antenna systems. That bill was introduced by the distinguished Senator from Rhode Island [Mr. PASTORE]. The policy committee decided today that it would be in order to bring up that bill on May 11. I shall not participate in the consideration of that bill, but it will be called up by the able Senator from Montana [Mr. MANSFIELD] or the author of the bill, the Senator from Rhode Island [Mr. PASTORE]. However, Senators should be on notice that it has been cleared for consideration and is eligible to be called up at any time on or after May 11. That is Calendar No. 950, S. 2653.

Mr. President, I shall now yield to any Senator who has a question concerning the proposed legislation. If no Senator has any questions I yield the floor, so that the time limitation can begin to run on the amendment of the Senator from Maryland.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10234) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1961, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 12, 23, and 27 to the bill, and concurred therein, and that the House insisted upon its disagreement to the amendment of the Senate numbered 13 to the bill.

MUTUAL SECURITY ACT OF 1960

The Senate resumed the consideration of the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. MAGNUSON. Mr. President, I hope the Senator from Arkansas can assure me that the House has provided language to satisfy all of us in this matter. We need not have any controversy about it. If we accept language that is different but similar in purpose, it would be in conference anyway, and probably we could work out something which would place us in agreement.

The PRESIDING OFFICER. The Senate is operating under the unanimous-consent agreement, and the Senator from Washington has used his 15 minutes.

Mr. MAGNUSON. No; I have not used 15 minutes; I have just started.

The PRESIDING OFFICER. The Chair is in error. The Senator from Maryland has 15 minutes.

Mr. JOHNSON of Texas. Mr. President, who has the floor?

Mr. MAGNUSON. The Senator from Texas has the floor now.

Mr. JOHNSON of Texas. Mr. President, will the Chair recognize me?

The PRESIDING OFFICER. The Chair recognizes the Senator from Texas.

Mr. JOHNSON of Texas. The distinguished Senator from Idaho [Mr. CHURCH] desires to have an amendment he proposes to the bill voted upon this evening. He tells me that he expects to consume about an hour's time on the amendment. I ask unanimous consent that there may be 45 minutes allotted to each side on the amendment, and that the consideration of the Church amendment follow the consideration of the two amendments as to which unanimous-consent agreements have previously been entered.

Mr. BUTLER. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. BUTLER. As soon as the vote has been taken on the pending amendment, I have another amendment to offer. I shall not do anything beyond offering it, and the Senator from Arkansas may take 5 or 10 minutes, if he wishes to do so. But I should like to have a vote on that amendment, too. The Senator from Illinois [Mr. DOUGLAS] has agreed to let me proceed with that amendment before his amendment is called up, because my second amendment is to the same section of the bill, and for the sake of continuity it should be considered immediately after the amendment now being considered. I had originally intended to offer it immediately after the vote on the pending amendment.

Mr. JOHNSON of Texas. Mr. President, I am informed by the minority leader that objection will be made to my last request.

I am sorry if that is true, because I do not believe that the Senator from Idaho would have given consent to the request except for the plea of the leadership that such an agreement be entered into; and at that time I did not know that this would be the situation.

I am prepared to ask unanimous consent to have the whole arrangement vitiated, and to stay here late tonight or meet early in the morning, or to follow any other arrangement.

We hear much talk about wanting to have the Senate transact the necessary business, and much criticism in regard to Congress being behind in its schedule; and there are people who complain, on the airwaves, about the lack of progress in the Congress. But then, after I spend a great deal of time in attempting to work out a satisfactory program, we are told that certain Senators have out-of-town engagements, and wish to have votes postponed.

Mr. President, I serve notice now that during the remainder of the session we may have late sessions and Saturday sessions; and it will not be possible to postpone votes because a Senator wishes to attend a pie supper somewhere.

Certainly it is almost impossible to do the necessary work if various Senators wish to have votes postponed until they return to the Senate from out-of-town engagements. Some of them may be in Europe; some of them may be in the North or the South or the East or the West. But certainly we shall not make much progress if we continue to postpone votes merely because certain Senators request that the votes be postponed or delayed until they can return to town, after fulfilling out-of-town engagements.

We have before us much important proposed legislation, and there is much more to come. We must act on a housing bill, on a bill for medical care for the aged, on social security legislation, on the number of bills on the calendar which we cleared today, on pay bills for the Federal employees, on a minimum-wage bill, and on many other bills which will be brought up by motion this year, and will be acted on this year if I can get a majority of the Senate to remain here.

Of course, the leadership does not have the power to compel Senators to attend the sessions. Furthermore, even if Senators do attend the sessions, they can talk the program to death, if they wish to do so. But certainly Senators should not ask the Senate to agree to postpone its action and its votes simply because

certain Senators expect to be absent, because of other engagements.

Personally, I have never made such a request. The other day, when we were told that there was a desire to have the Senate act on one of the appropriation bills, I was asked what my pleasure was in that connection, inasmuch as I was to be away. I said, "Bring it up, and vote on it, and pass it. I cannot ask other Senators to wait just because I must be out of town."

I have given the Senator from Idaho my assurance that I shall cooperate with him; and in these circumstances I shall agree to do whatever he suggests.

Mr. CHURCH. Mr. President, if the distinguished minority leader intends to object, then I shall have to wait until tomorrow to make my presentation, because my amendment is not a pro forma one, and I believe it deserves the attention of the Senate. In addition, I should like to have the vote on my amendment come immediately after the conclusion of the debate on it.

Therefore, the objection which I understand the Senator from Illinois intends to make would require that my amendment go over until tomorrow, so that the vote on it could come immediately following the debate on it.

Mr. JOHNSON of Texas. Would the Senator object to having us proceed to consider the other amendments this evening? Would that embarrass him in any way?

Mr. CHURCH. Certainly not. The only difficulty is that I have already advised the press that I would bring up the amendment today.

Mr. FULBRIGHT. Why can we not handle today both this amendment and the others? That will not take very long.

Mr. JOHNSON of Texas. It seems to me that, under the agreement, the Senator from Idaho could obtain recognition after the other amendments were disposed of. Then he would have an hour, instead of the 45 minutes he has requested. It seems to me such a procedure would reduce the total amount of time to be used.

Mr. DIRKSEN. Mr. President, will the Senator from Texas yield to me?

The PRESIDING OFFICER (Mr. LUSK in the chair). Does the Senator from Texas yield to the Senator from Illinois?

Mr. JOHNSON of Texas. I yield.

Mr. DIRKSEN. Mr. President, I try not to be offensive in connection with these matters; and I think the distinguished Senator from Idaho knows that I do not. But I point out that for a long, long time the minority leader has not been out of town. Certainly I have attended the sessions religiously, day after day, and at the same time I have taken care of my duties both in the Committee on Labor and Public Welfare and in the Judiciary Committee, and at the same time I have also taken care of my minority leadership duties.

I am prepared to be here at any time. However, the session today began at 10 a.m. We devoted 2 hours to the testimonials to the senior Senator from Montana, after we had had to take the time required to attend the meeting with the other body in honor of His Majesty, the King of Nepal.

There has been no notice that a late session would be held this evening. Members do incur commitments; that is inherent in this work. I try to satisfy our commitments if I possibly can. That is why I said that if the Senator from Idaho is to speak for 45 minutes, I would have to object, because if there is to be a yea-and-nay vote on the Butler amendment on the Douglas amendment——

Mr. JOHNSON of Texas. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. JOHNSON of Texas. First of all, let me say that since we began to talk about the Butler amendment, the proponents have informed me that they are prepared to vote now on the amendment, if we stop talking. In that way, I believe we shall save enough time to permit the amendment of the Senator from Idaho to be brought up today.

In the next place, let me say that although I had to be out of town, I did not request that any votes be delayed during that period of time. Furthermore, the Senator from Illinois [Mr. DIRKSEN] was here all during that period. I commend him for it, and for not asking the Senate to adjourn at any time while he was out of town.

Mr. DIRKSEN. But I have not been out of town since February.

Mr. JOHNSON of Texas. Of course I realize that. The Senator from Illinois has most ably performed his duties. He and I did all we could to have the Senate proceed to vote on the various measures; and the Senator did not ask the Senate to postpone any vote until his return.

Mr. DIRKSEN. That is correct.

Mr. JOHNSON of Texas. I hope every Senator will be guided by that example.

The only reason why we have this problem now is that certain Senators desire to be excused for the remainder of the evening.

Therefore, I wish to state now that we are giving notice that during the next 2 months there will be Saturday sessions and there will be evening sessions, if they become necessary—and I believe they will become necessary.

If Senators will now yield back the remainder of the time available to them, I believe we can now handle these amendments.

Mr. BUTLER. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. BUTLER. I have made arrangements with the Senator from Washington and the Senator from Arkansas for the vote to be taken on the companion amendment; and then we shall yield back the remainder of the time available to us.

Mr. JOHNSON of Texas. Then I shall withdraw my request in regard to the Church amendment, with the understanding—and I so request—that 45 minutes be available to each side in connection with that amendment.

Mr. DIRKSEN. That will mean a total of one hour and a half.

Mr. CASE of South Dakota. Mr. President, reserving the right to object, let me ask whether there will be a vote tonight.

Mr. JOHNSON of Texas. First, Mr. President, let me ask the Senator from Arkansas how much time he will need in connection with the Church amendment.

Mr. FULBRIGHT. I shall not need very much time.

Mr. CASE of South Dakota. Mr. President, has there been an answer to my inquiry?

Mr. GORE. Mr. President, I call for the regular order.

The PRESIDING OFFICER. Is there objection to the request?

Mr. CASE of South Dakota. Mr. President, I object.

Mr. DIRKSEN. Mr. President, I ask the Senator to withhold his objection for a moment.

Mr. JOHNSON of Texas. Mr. President, I renew my request that 45 minutes be allowed to each side, in connection with the Church amendment. I believe that will meet with the pleasure of the Senator from Illinois. If we do not do that, there will be 30 minutes for each side, under the agreement which already has been entered into. So I believe we shall save time by proceeding in the way I suggest.

The PRESIDING OFFICER. Is there objection to the request?

Mr. BUTLER. Let me ask whether it will be agreeable for the Senate to vote—without debate—on the amendment which I shall send to the desk immediately after the vote which is about to be taken.

Mr. JOHNSON of Texas. Yes, to vote without further debate.

Mr. KEATING. Let me ask what will happen if a substitute for the Butler amendment is offered.

Mr. JOHNSON of Texas. I am not aware of any such proposal. Does the Senator have such a proposal to make?

Mr. KEATING. I think a substitute might evolve here which would be to take the House language.

Mr. BUTLER. That is what my second amendment will do.

Mr. KEATING. That is, assuming the defeat of the first amendment.

Mr. BUTLER. That is right.

Mr. KEATING. That is probably a fair assumption.

Mr. CASE of South Dakota. Mr. President, reserving the right to object, does the unanimous consent request permit 45 minutes on both sides on the Church amendment?

The PRESIDING OFFICER. That is correct.

Mr. GORE. Mr. President, I call for the regular order.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

Ordered, That, effective immediately, during the consideration of the bill (S. 3058), to amend further the Mutual Security Act of 1954, as amended, and for other purposes, debate on amendments by Senators BUTLER, of Maryland, and DOUGLAS, of Illinois, be limited to 15 minutes in favor thereof and 15 minutes in opposition thereto,

and an amendment by Senator CHURCH, of Idaho, be limited to 45 minutes in support thereof, and 45 minutes in opposition thereto: *Provided further,* That Senator BUTLER be permitted to offer a second amendment to be voted on without debate.

The PRESIDING OFFICER. The question is on agreeing to the Butler amendment.

Mr. BUTLER. Mr. President, I yield back all my time.

Mr. JOHNSON of Texas. I yield back all my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland [Mr. BUTLER] to the mutual security bill. On this question the yeas and nays have been ordered, and the Clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. BIBLE], the Senator from Virginia [Mr. BYRD], the Senator from West Virginia [Mr. BYRD], the Senator from Nevada [Mr. CANNON], the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from North Carolina [Mr. JORDAN], the Senator from Oklahoma [Mr. KERR], the Senator from Montana [Mr. MURRAY], and the Senator from Virginia [Mr. ROBERTSON], are absent on official business.

I further announce that the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

On this vote, the Senator from Colorado [Mr. CARROLL] is paired with the Senator from North Carolina [Mr. JORDAN]. If present and voting, the Senator from Colorado would vote "nay," and the Senator from North Carolina would vote "yea."

On this vote, the Senator from Missouri [Mr. SYMINGTON] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Missouri would vote "nay," and the Senator from Nebraska would vote "yea."

On this vote, the Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from Massachusetts would vote "nay," and the Senator from Alabama would vote "yea."

On this vote, the Senator from Montana [Mr. MURRAY] is paired with the Senator from Nevada [Mr. BIBLE]. If present and voting, the Senator from Montana would vote "nay," and the Senator from Nevada would vote "yea."

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from West Virginia [Mr. BYRD], the Senator from Nevada [Mr. CANNON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Oklahoma [Mr. KERR], and the Senator from New Mexico [Mr. ANDERSON] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BEALL], and the Senator from New Hampshire [Mr. BRIDGES] are necessarily absent.

The Senator from New York [Mr. JAVITS] is absent by leave of the Senate, to attend, as Chairman of the Economic Committee, a meeting of the NATO Parliamentarians Conference at Strasbourg, France.

The Senator from New Hampshire [Mr. COTTON] and the Senator from Nebraska [Mr. HRUSKA] are absent on official business as members of the Board of Visitors of the U.S. Military Academy.

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Missouri would vote "nay."

The result was announced—yeas 33, nays 44, as follows:

[No. 170]

YEAS—33

Allott	Goldwater	Morse
Brunsdale	Gruening	Randolph
Butler	Hartke	Russell
Capehart	Jackson	Schoeppel
Curtis	Johnston, S.C.	Smathers
Dodd	Kuchel	Smith
Eastland	Long, Hawaii	Stennis
Ellender	Long, La.	Talmadge
Engle	McClellan	Thurmond
Ervin	McGee	Williams, Del.
Frear	Magnuson	Yarborough

NAYS—44

Aiken	Hart	Monroney
Bennett	Hayden	Morton
Bush	Hennings	Moss
Carlson	Hickenlooper	Mundt
Case, N.J.	Hill	Muskie
Case, S. Dak.	Holland	Pastore
Church	Johnson, Tex.	Prouty
Clark	Keating	Proxmire
Cooper	Kefauver	Saltonstall
Dirksen	Lausche	Scott
Douglas	Lusk	Wiley
Dworshak	McCarthy	Williams, N.J.
Fong	McNamara	Young, N. Dak.
Fulbright	Mansfield	Young, Ohio
Gore	Martin	

NOT VOTING—23

Anderson	Carroll	Kennedy
Bartlett	Chavez	Kerr
Beall	Cotton	Murray
Bible	Green	O'Mahoney
Bridges	Hruska	Robertson
Byrd, Va.	Humphrey	Sparkman
Byrd, W. Va.	Javits	Symington
Cannon	Jordan	

So Mr. BUTLER'S amendment to the committee amendment was rejected.

Mr. BUTLER. Mr. President, I offer the amendment which I send to the desk and ask to have stated for the information of the Senate.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of section 404 it is proposed to add the following:

Provided, That compensating allowances are made in the administration of other programs to the same area to which the requirements of said section 901(b) are applicable.

Mr. BUTLER. Mr. President, I ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

Mr. BUTLER. Mr. President, this amendment is the House language, and it would provide compensating tonnage for cargoes denied under any waiver.

Mr. FULBRIGHT. Mr. President, I only wish to say, in response, that this is the House language and if this is agreed to the language would not be involved in conference. We would have to accept the language, with no opportunity to change it. It is much worse than the language we have voted down. I hope the Senate will not agree to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland [Mr. BUTLER]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. BIBLE], the Senator from Virginia [Mr. BYRD], the Senator from West Virginia [Mr. BYRD], the Senator from Nevada [Mr. CANNON], the Senator from Colorado [Mr. CARROLL], the Senator New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from North Carolina [Mr. JORDAN], the Senator from Oklahoma [Mr. KERR], the Senator from Montana [Mr. MURRAY], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

I further announce that the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

On this vote, the Senator from Colorado [Mr. CARROLL], is paired with the Senator from North Carolina [Mr. JORDAN]. If present and voting, the Senator from Colorado would vote "nay" and the Senator from North Carolina would vote "yea."

On this vote, the Senator from Missouri [Mr. SYMINGTON] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Missouri would vote "nay" and the Senator from Nebraska would vote "yea."

On this vote, the Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from Massachusets would vote "nay" and the Senator from Alabama would vote "yea."

On this vote, the Senator from Montana [Mr. MURRAY] is paired with the Senator from Nevada [Mr. BIBLE].

If present and voting, the Senator from Montana would vote "nay" and the Senator from Nevada would vote "yea."

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from West Virginia [Mr. BYRD], the Senator from Nevada [Mr. CANNON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Oklahoma [Mr. KERR], the

Senator from New Mexico [Mr. ANDERSON], and the Senator from Louisiana [Mr. ELLENDER] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BEALL] and the Senator from New Hampshire [Mr. BRIDGES] are necessarily absent.

The Senator from New York [Mr. JAVITS] is absent by a leave of the Senate, to attend, as Chairman of the Economic Committee, a meeting of the NATO Parliamentarians Conference at Strasbourg, France.

The Senator from New Hampshire [Mr. COTTON] and the Senator from Nebraska [Mr. HRUSKA] are absent on official business as members of the Board of Visitors of the U.S. Military Academy.

On this vote the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Missouri would vote "nay."

The result was announced—yeas 32, nays 44, as follows:

[No. 171]

YEAS—32

Allott	Gruening	Russell
Brunsdale	Hartke	Saltonstall
Butler	Jackson	Schoeppel
Capehart	Johnston, S.C.	Scott
Curtis	Keating	Smathers
Dodd	Kuchel	Smith
Eastland	Long, La.	Stennis
Engle	McGee	Talmadge
Ervin	Magnuson	Thurmond
Frear	Morse	Williams, Del.
Goldwater	Randolph	

NAYS—44

Aiken	Hart	Martin
Bennett	Hayden	Monroney
Bush	Hennings	Morton
Carlson	Hickenlooper	Moss
Case, N.J.	Hill	Mundt
Case, S. Dak.	Holland	Muskie
Church	Johnson, Tex.	Pastore
Clark	Kefauver	Prouty
Cooper	Lausche	Proxmire
Dirksen	Long, Hawaii	Wiley
Douglas	Lusk	Williams, N.J.
Dworshak	McCarthy	Yarborough
Fong	McClellan	Young, N. Dak.
Fulbright	McNamara	Young, Ohio
Gore	Mansfield	

NOT VOTING—24

Anderson	Carroll	Jordan
Bartlett	Chavez	Kennedy
Beall	Cotton	Kerr
Bible	Ellender	Murray
Bridges	Green	O'Mahoney
Byrd, Va.	Hruska	Robertson
Byrd, W. Va.	Humphrey	Sparkman
Cannon	Javits	Symington

So Mr. BUTLER's amendment to the committee amendment was rejected.

Mr. DOUGLAS. Mr. President, on behalf of myself and 28 colleagues I call up my amendment identified as 4–27–60—C. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the last two amendments were agreed to.

Mr. FULBRIGHT. Mr. President, I move to table that motion.

The motion to table was agreed to.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Illinois.

The LEGISLATIVE CLERK. On page 11, between lines 8 and 9, insert the following:

STATEMENT OF POLICY

SEC. 2. Section 2 of the Mutual Security Act of 1954, as amended, which is a statement of policy, is further amended by adding at the end thereof the following:

"(f) It is the sense of the Congress that inasmuch as—

"(1) the United States favors freedom of navigation in international waterways and economic cooperation between nations; and

"(2) the purposes of this Act are negated and the peace of the world is endangered when nations which receive assistance under this Act wage economic warfare against other nations assisted under this Act, including such procedures as boycotts, blockades, and the restriction of the use of international waterways;

assistance under this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be administered to give effect to these principles, and, in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this Act or arising under the Agricultural Trade Development and Assistance Act of 1954, as amended, these principles shall be applied, as the President may determine, and he shall report on measures taken by the administration to insure their application."

Mr. JOHNSON of Texas. Mr. President, as I understand, 15 minutes of debate is allowed to each side on the amendment.

The PRESIDING OFFICER (Mr. FREAR in the chair). The Senator is correct.

Mr. JOHNSON of Texas. The time of the proponents is to be controlled by the Senator from Illinois, and the time of the opponents is to be controlled by the minority leader.

The PRESIDING OFFICER. The Senator is correct.

Mr. JOHNSON of Texas. At the end of a period not to exceed 30 minutes we will have a yea-and-nay vote on the Douglas amendment. Then we will have the Church amendment before us, and then we will vote on that amendment in approximately 50 minutes after we conclude voting on the Douglas amendment. I want all Senators to be on notice.

Mr. DOUGLAS. Mr. President, the amendment, when it was submitted, had 19 sponsors. Since then, the following additional Senators have asked to cosponsor it: Messrs. MURRAY, SYMINGTON, BUSH, MCNAMARA, CARROLL, ENGLE, HARTKE, KEFAUVER, JAVITS, and WILEY.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. YARBOROUGH. I desire to be added as a cosponsor.

Mr. DOUGLAS. Also the Senator from Texas [Mr. YARBOROUGH].

This amendment restores to the bill language which is included in the bill as passed by the House, but which was omitted in the draft which the Senate committee has reported to the Senate. What it does is to say, first, that it is the sense of Congress that we favor freedom of navigation in international waterways, and that the purposes of the Mutual Security Act are negated and the peace of the world is endangered when nations which receive assistance under this act wage economic warfare against other nations assisted under this act, including such procedures as boycotts, blockades, and restrictions of the use of international waterways.

The amendment then goes on to provide that our Government's assistance shall be administered to give effect to these principles and the principles shall be applied in our negotiations, as the President may determine.

This policy statement clearly covers the action of the United Arab Republic under President Nasser in not only prohibiting Israeli ships from using the Suez Canal, but also in prohibiting ships which carry cargoes either from or to the State of Israel from using the Suez Canal.

This action by President Nasser is in clear violation of the Suez Canal Convention of 1888, which laid down the original rules under which the Suez Canal was to be governed. It is contrary to the 1951 decision of the United Nations Security Council. It is also in clear violation of the pledge which President Nasser made in 1956, when he nationalized the Suez Canal.

These clear pledges have been violated by Nasser and by the Arab Republic. Thus far the United States has done absolutely nothing effective to check that action.

The World Bank has made a loan of $50 million to broaden and deepen the Suez Canal. But it did not attach any conditions whatsoever to that loan, and has refused to hold it up pending the United Arab Republics' compliance with U.N. decisions and its own pledges.

The pending bill provides economic assistance to Nasser. The amendment simply provides that in administering this aid, the President shall try to secure compliance with the principles of freedom of navigation and economic cooperation to which we all subscribe.

This is a matter of basic principle. It is not, however, binding upon the President. The President is given the power not to apply the principle if he so desires. It expresses the sentiment and the sense of Congress that we should not give assistance to a country if it is in violation of these pledges, unless the President determines it is in the national interest to do so.

It is a very mild resolution indeed. I do not see how the Senate can properly refuse to adopt it. I am surprised, indeed, that the committee is not willing to accept it.

I know there are some who say that all it will do is to get Nasser's back up and stiffen his resistance. This is the story we have been hearing for years, and the situation has been getting worse, despite the fact that we have been doing nothing but placating Nasser and actually increasing our aid to him.

I know that it is sometimes said Israel is prospering more than the other nearby countries; therefore it does not need any assistance of this type. It is true that Israel is prospering more than the Arab countries, but it is the result of tremendous effort on its part. If there were no boycott, its development would be speeded up and our aid programs could be reduced.

It is extraordinary that we should penalize Israel by permitting this boycott to remain in effect without effective efforts to end it. There comes a time, when international principles are

continuously challenged and flouted, that the supporters of those principles must stand up against the violators.

Mr. President, in further elaboration of the purpose of the amendment, I ask unanimous consent to have printed in the RECORD at this point a statement I have prepared on it.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DOUGLAS

THE AMENDMENT

We are asking the Senate to approve an amendment to the statement of policy of the Mutual Security Act which was recommended by the House Committee on Foreign Affairs and which has already been approved by the House of Representatives. It appears as section 2 in the House bill—H.R. 11510. This amendment is unfortunately not before us in the Senate bill. The Senate Committee on Foreign Relations reported out the mutual security bill before the House had completed action on its draft.

The amendment puts the Congress of the United States on record in favor of freedom of navigation in international waterways and economic cooperation between nations. It declares that the purposes of the Mutual Security Act are negated and the peace of the world is endangered when nations which receive assistance under this act wage economic warfare against other nations assisted under this act, including such procedures as boycotts, blockades and restriction of the use of international waterways.

The House amendment calls upon the administration to give effect to these principles in the administration of both the Mutual Security Act and the Agricultural Trade Development and Assistance Act of 1954. But it should be made clear that the authority of the President for the administration of American foreign policy is respected. He is asked to carry out these principles as he may determine. This amendment is not an unqualified ban on assistance to nations which flout these principles. On the other hand, this statement of policy, as an expression of the opinion of Congress and the views of the American people, should reinforce the administration in its efforts to bring an end to these practices and to promote freedom of navigation, economic cooperation and peace in the Middle East.

I believe that this amendment does accurately reflect the views of the Congress of the United States and the administration's policy. Our Department of State has frequently put itself on record in favor of the principles here espoused. And it is consistent with the principles and purposes of the United Nations Charter. The question that arises, therefore, is whether it serves any purpose to reiterate these views in the Mutual Security Act. I feel strongly that it does.

THE SUEZ SITUATION

The House Committee on Foreign Affairs made clear in its report to Congress that this amendment relates to the continuing restrictions on the movement of commerce through the Suez Canal. The report said: "The Committee on Foreign Affairs has followed closely developments relating to the use of the Suez Canal and believes that the United States has not done as effective a job as it should have in urging the removal of the restrictions on the free movement of commerce through the canal." The committee proposed its amendment "with this and other situations in various parts of the world in mind."

I know there are two points of view on this issue. There is no difference of opinion at all on the proposition that the Suez Canal should be open to the shipping of all nations. The question is whether it serves the attainment of that goal by taking this action here in the name of the American people. Some believe that it is better to say or do nothing because, they believe, little by little the situation in the Middle East will improve and there will be a gradual evolution toward cooperation and peace. But, in the light of developments in the last year, I am afraid that it is unrealistic to suggest that peace in this troubled area will come by itself. The facts testify to the contrary.

The situation in the Suez Canal has deteriorated in the last 12 months and both the United Nations and the United States have been unable to arrest that unfortunate and dangerous trend. Beginning with the Egyptian war against the State of Israel in 1948, and down to 1959, the Egyptian Government refused to permit the passage of Israel flagships. This action has been declared illegal by the United Nations Security Council and has evoked protest from our own Government. Our Government has always maintained that the Suez Canal should be open to all nations without discrimination. But the situation changed for the worse last year. The Egyptian Government instituted a new policy. It began to bar the ships of all nations, regardless of the flag they carried, as long as those ships were carrying cargoes to and from Israel. This represented a worsening of the blockade and an intensification of the Arab effort to strangle Israel's economy.

Nevertheless, the Western World has gone forward with a program of generous economic assistance to the United Arab Republic, and this was climaxed last December by the World Bank, which loaned the United Arab Republic $56 million to widen and deepen the Suez Canal—a commendable project in itself—at a time when two ships, a Danish ship and a Greek ship, carrying Israel cargoes were illegally detained at Port Said. Whether or not it was wise for the World Bank, a specialized agency of the United Nations, to go forward with the loan to the United Arab Republic at that time is debatable. I myself and many others counseled strongly against it. But much has been said on both sides.

However, the loan has been granted. The question is—what do we do now? Despite that loan and the large-scale economic assistance to the United Arab Republic by the United States, the United Arab Republic persists in this blockade and has repeatedly declared that it will not abandon it.

The Department of State has repeatedly reaffirmed its interest in freedom of navigation through the Suez Canal, but it has insisted that this is a matter to be left to Secretary General Dab Hammarskjold of the United Nations. Now, Mr. Hammarskjold does not live in a world by himself. The United Nations is not an instrument separate and apart from the United States. We are the greatest power in the United Nations. If the United Nations is making a determined effort to win compliance with its principles and its decisions, then surely it is up to us to do everything we can to support it. What we say and do here in Congress on this issue will have a positive effect on world public opinion.

Within recent weeks, our Government has spoken out strongly on a number of situations throughout the world, in Asia and in Africa. We have been impelled to make these statements because we beleve they are right. World public opinion is aroused on these issues. Our policies on issues like the one now before us must be clearly announced if we are to maintain the respect and friendship of the peoples of the world and if we are to offer world leadership.

THE LEGAL BACKGROUND TO THE SUEZ DISPUTE

I do not know whether it is necessary to recite the legal background of this situation. All authority favors the opening of the Suez Canal to the shipping of all nations and rejects the argument that the canal may be closed even in time of war. Thus, the Constantinople Convention of 1888 lays down the rules for the administration of the Suez canal, and article I provides that "the canal shall always be free and open in time of war as in time of peace to every vessel of commerce or of war without distinction of flag, the canal shall never be subjected to the exercise of the right of blockade."

After the State of Israel was established, the Egyptians closed the canal to all Israel shipping and began to blacklist ships which called at Israel ports. They also seized cargoes considered to be contraband. The Egyptians attempted to justify this policy in the light of article 10 of the Constantinople Convention, which permits "measures necessary for defense and public order." The United Nations challenged the Egyptian position, but the Egyptians insisted that they regarded themselves legally at war with Israel. They claimed that the United Nations armistice agreement did not put an end to a state of war and did not prohibit Egypt from exercising certain rights of war.

THE U.N. DECISION OF 1951

Now, this is an incongruous and unacceptable situation. The Egyptians are members of the United Nations, and as such they are obligated to refrain from war and to settle disputes peaceably. When they went into Palestine in 1948, they insisted that they were not really going to war at all but that they were merely acting as some kind of fire brigade in order to extinguish a blaze in that country. The issue was debated in the United Nations Security Council, and on September 1, 1951, that body—the supreme body of the United Nations—refused to accept the Egyptian contention that it was permitted to carry on this blockade despite the Constantinople Convention and despite the United Nations armistice agreement. The Council called upon Egypt to: "Terminate the restrictions on the passage of international commercial shipping and goods through the Suez Canal wherever bound and to cease all interference with such shipping beyond that essential to the safety of shipping in the canal itself and to the observance of the international conventions in force."

A decision of the Security Council is binding. Members of the United Nations agree under article 25 of the United Nations Charter to carry out Security Council decisions. Nevertheless, unfortunately, this decision was ignored by the Egyptians.

Apparently encouraged by the incapacity of the United Nations to deter them, the Egyptians then went on to extend the blockade and they included the Gulf of Aqaba. They went further, on November 30, 1953, by defining food stuffs and all other commodities "which are likely to strengthen the war potential of the Zionists in Palestine as contraband," which they claimed they were entitled to seize.

In March 1954, Israel protested again to the United Nations Security Council, and our government and seven other members of the Security Council voted for a resolution which "notes with grave concern that Egypt has not complied with the 1951 resolutions; calls upon Egypt in accordance with its obligations under the charter to comply." But, unfortunately, by this time the Soviet Union had begun its policy of supporting the Arabs on every possible occasion. The resolution was vetoed by the Soviet Union, and Egypt was thus rendered immune from international discipline.

THE MISSED OPPORTUNITY IN 1954

Meanwhile, in the summer of 1954, the British agreed to withdraw from their Suez base. Our Government was helpful to Egypt in those negotiations, and, in view

of our sympathetic attitude towards Egyptian aspirations, leaders in this body thought it appropriate to appeal to the Department of State to ask the Egyptians to abandon the blockade of the canal. Senator Saltonstall, Senator Ives and Senator Lehman joined in a letter to the Secretary of State in which they pointed out that the negotiations might be regarded as "a historic opportunity to dispose of the blockade" and that, on the other hand, failure to act might be interpreted by Egypt as an invitation that we do not regard the blockade as a matter of sufficient concern. Reassurance came from the Department of State that our Government stood fully behind the September 1, 1951 resolution and regarded it as valid, despite the 1954 Soviet veto, and, furthermore, the United States would continue to urge compliance with it. That reassurance came from Assistant Secretary of State THRUSTON B. MORTON, who is now one of our distinguished colleagues in the Senate. However, a few weeks later, the Egyptians seized another ship—an Israel vessel bound from Eritrea to Haifa—the *Bat Galim*—and when the matter came before the U.N. Security Council that body could do no more than discuss the matter because a Soviet veto forbade decisive action. The President of the General Assembly made a statement that most of the members of the Security Council regarded the 1951 resolution as having "continuing validity and effect."

THE 1956 SUEZ CRISIS: THE SIX PRINCIPLES

I do not intend to rehearse all of the difficulties in 1956, when President Nasser nationalized the Suez Canal and the rest of the world made an effort to insist that the canal would be open to the shipping of all nations. Unfortunately, the Western camp was divided. Nevertheless, the UAR did inform the world that it accepted six principles which would govern the operation of the Suez Canal. One of these principles declared, "there should be free and open transit through the canal without discrimination, overt or covert; this covers both political and technical aspects." Furthermore, the third principle declared that "the operation of the canal should be insulated from the politics of any country."

In the development which followed the Suez and Sinai conflict, there is no doubt that the United States assisted the United Arab Republic, and at that time we might have taken a strong position calling upon Egypt to change its policies with respect to Israel shipping.

Many Members of this body made our position clear at that time. While we believed that Israel should withdraw from Sinai and from the Suez, we insisted that there should be guarantees against the restoration of the boycotts and blockades which had existed prior to the Suez conflict.

THE PRESIDENT'S ASSURANCE

And we were reassured by the President of the United States when he said, on February 20, 1957, "We should not assume that, if Israel withdraws [from Sinai] Egypt will prevent Israeli shipping from using the Suez Canal or the Gulf of Aqaba. If, unhappily, Egypt does hereafter violate the armistice agreement or other international obligations, then this should be dealt with firmly by the society of nations."

In 1957 and 1958, it appeared that some progress had been made. The Israel Government made no effort to send its own ships through the Suez Canal, but more than 40 non-Israel ships, carrying cargoes to and from Israel, were permitted to pass through the canal without any disturbance. Many of these were carrying Israel products to countries of Asia and Africa. And the administration respected its undertaking to secure the opening of the Gulf of Aqaba and the Straits of Tiran. A United Nations Emergency Force was stationed there; our Government took a strong position to the effect that this is an international waterway, and the blockade of Israel shipping through Aqaba came to an end.

THE CHANGE FOR THE WORSE IN 1959

But, in early 1959, there was a change in the Egyptian position. One can only speculate as to the reasons. Some suggest that President Nasser has been compelled to take this position because he is in a conflict for leadership of the Arab world with Premier Kassem of Iraq, and the accepted manner of demonstrating Arab patriotism is to get tough with Israel. Another theory which may explain what has happened is that the United Arab Republic and other Arab countries have become concerned over the fact that Israel has been expanding its relations with the new countries of Asia and Africa, leaping over the Arab blockade boundary.

Whatever the reason, the United Arab Republic stopped the SS *Capitan Manolis* on February 26, 1959, while it was carrying a cargo to Ceylon and Malaya from Israel. That ship was a Liberian freighter.

In March, the Egyptians stopped a German ship—the SS *Lealott,* which was carrying a cargo of cement, and that cargo also was confiscated.

And on May 21, the Egyptians stopped the *Inge Toft.* This was a Danish ship which remained in detention at Port Said for 8½ months.

THE REACTION OF WORLD OPINION

This resumption and intensification of the Arab boycott and blockade brought sharp reactions from world public opinion.

The New York Herald Tribune, on June 1, 1959, said:

"At the moment Cairo is attempting to obtain World Bank funds for widening and deepening the canal. The time might seem singularly unpropitious for the UAR to stir up trouble, were it not that Nasser is the kind of dictator who might well equate suspension of the blockade with a sizable loan."

On June 7, 1959, the Washington Post and Times Herald declared:

"The UAR action can scarcely stand the scrutiny of either international law or sound international policy. Understandably, some governments may be reluctant to irritate the UAR at a time when relations between Cairo and the non-Communist capitals have happily improved. But the world community cannot with good conscience avoid facing the fundamental problem. Equivocation in similar instances prior to 1956 helped create armed conflict. Forthrightness now may avoid new troubles."

And the New Bedford Standard-Times, on June 5, 1959, said:

"Governments of seafaring nations would do well to marshal support of Israeli counteraction in this matter, for it involves high-handed interference with international trade, expropriation without payment and the operation of an important waterway on the basis of political prejudice."

Later, on June 25, the New York Herald Tribune declared:

"Mr. Hammarskjold must make it plain to the UAR that its actions are illegal and that the object of his visits is less to obtain the release of a single cargo than to make certain that the canal remains open to the ships of all nations at all times."

And, on June 19, the New York Times referred to Nasser's policy as "Nasser's piracy," and it said:

"President Nasser seems to believe that in view of the Western preoccupation with the Soviet challenge and his own verbal quarrel with the Soviets, he can now count on greater Western toleration and help. He should be disillusioned on that point until he learns to honor his international obligations."

No less a journal than the Economist of London, in its issue of June 13, discussing the Egyptian blockade and the proposed World Bank loan for improving the Suez Canal, asserted:

"The pressure on Cairo would be much greater if the World Bank insisted before granting the loan that Egypt should honestly and in full carry out its obligations."

These are but a few of the hundreds and hundreds of opinions that have been expressed by American newspapers on this vital issue.

MEMBERS OF THE SENATE TELEGRAPH THE PRESIDENT

Meanwhile, on June 24, 1959, 25 Members of this body joined in a telegram to President Eisenhower, calling his attention to the detention of these cargoes and urging the administration to take a firm stand on this issue. The 25 who joined in this telegram included Senators Allott, Bartlett, Beall, Capehart, Carroll, Case of New Jersey, Douglas, Engle, Gruening, Hart, Hennings, Javits, Keating, McGee, Morse, Moss, Murray, Neuberger, Proxmire, Saltonstall, Scott, Symington, Wiley, Williams of New Jersey, and Young of Ohio.

THE WORLD BANK LOAN

There was a debate last fall as to whether the World Bank should go forward with the loan to the UAR while the *Inge Toft* was detained at Port Said—an exhibit of the Egyptian blockade practice. In the meantime, Secretary General Dag Hammarskjold sought to persuade the UAR to revise its practices, and it has been widely reported that he was able to secure a commitment from the UAR to the effect that Nasser would permit ships to pass through the canal if neither the cargo nor the ship belonged to Israel at the time it approached the waterway. The Israelis acted on the basis of these negotiations. On December 18, 3 days before the World Bank granted the loan, the *Astypalea,* a Greek ship, was stopped by Nasser, despite the understanding Nasser had given Mr. Hammarskjold.

The loan was granted. I will not review all the arguments that were made at the time. It has been stated repeatedly that the World Bank is an economic institution and that the question of transit through the Suez Canal is a political one. And then, having made that statement, the proponents of the Bank's policy immediately go on to say that if the World Bank had not made the loan to the UAR for the improvement, the Soviet Union would have stepped into the breach.

ECONOMICS OR POLITICS

That, of course, is a political argument and a poor one, in view of the fact that Egypt is already one of the largest beneficiaries of the Soviet aid program. When our decisions to make loans and grants are determined by reference to what the Soviet Union may or may not be prepared to do, we are delegating the determination and execution of our foreign policy to another country. And we allow ourselves and our aid program to be victimized by blackmail.

I would like to add another comment on this question as to what is an economic and what is a political question, a subject which fascinates an economist-turned Senator. Immediately after President Nassar nationalized the Suez Canal in 1956, we withheld all economic assistance from the UAR. The Department of State froze Egyptian balances in this country. It was not until the UAR had completed negotiations to compensate the stockholders for their interest in the canal that we released Egyptian assets and resumed economic assistance to that country. Now, if the World Bank and if our Government could withhold aid from President Nasser until he satisfied the property rights of stockholders, one may ask why we could not withhold aid from the UAR until shipping rights were also respected. So far as I can see both the rights of stockholders

and the rights of shippers are economic rights.

THE SEIZURE OF CARGOES

The *Inge Toft*, after 8½ months at Port Said, was compelled to give up the struggle, and it surrendered its cargo. A few weeks ago, the *Astypalea*—the Greek ship which was held up on December 18—followed suit. And Secretary General Dag Hammarskjold declared that the action of the UAR in seizing the cargo of the *Astypalea* "goes against" the principles of the United Nations. You may have seen the strong editorial comment that came from the New York Times, on April 10, and the New York Herald Tribune, on April 12, about the seizure of the *Astypalea*.

The New York Times declared:

"COLONEL NASSER'S CANAL

"United Nations Secretary General Hammarskjold's statement of last Friday on Colonel Nasser's Suez Canal policy was mild in its terms, but severe in its implications. The Secretary General did not speak lightly when he said that the detention and confiscation of Israeli cargoes carried in ships of other nationalities went against 'the principles upheld by the United Nations.' Since the beginning of 1959 the Cairo government has been seizing the cargoes of ships bound to or from Israeli ports whenever they attempted to pass through the Suez Canal. Four such ships and cargoes are mentioned in a current Israeli statement. The latest is a little Greek freighter called the *Astypalea*, loaded with cement and bound for the port of Djibouti. In each of these cases Colonel Nasser's government has confiscated—if this polite word is the correct one—the ship's cargo.

"Colonel Nasser has done this thing contrary to the original Canal Convention of 1888, contrary to his own agreement with the United Nations, and contrary to international law. The Israelis believe that he has also violated an agreement privately made with Secretary General Hammarskjold, although the Secretary General did not allude to such an agreement in his statement last Friday. The only defense Colonel Nasser can make is that there is at least a theoretical state of war between Israel and the United Arab Republic. It is a shabby defense indeed. Colonel Nasser should not expect loans or other assistance from the United States for the development of the canal while he continues to use that waterway as a political weapon."

The New York Herald Tribune declared:

"THE SUEZ BLOCKADE ISSUE PERSISTS

"If U.N. Secretary General Dag Hammarskjold were a man given to bluster and denunciation, his recent statement on Egypt's blockade of the Suez Canal against Israeli shipping would merit little attention. But precisely because Mr. Hammarskjold customarily avoids the slightest indication of annoyance or displeasure his assertion that the detention by the Egyptians of the Greek ship *Astypalea* "goes against the principle upheld by the United Nations" has all the force of a rebuke to Cairo.

"That the rebuke will go unheeded is a reasonable assumption, for President Nasser has so far ignored all efforts by Mr. Hammarskjold to obtain either an end to the United Arab Republic's blockade or at least a modification which would permit Israeli cargoes in foreign-owned ships to pass.

"Mr. Hammarskjold, discouraged though he has every right to be by Nasser's rebuffs, indicated in his statement that he intends to pursue his efforts 'to arrive at workable practices' in the Suez Canal. We're glad he hasn't given up. But we would like to see him get some positive support from those nations—especially our own—which have an interest in maintaining freedom of navigation in general and preserving the peace in the Middle East in particular. Even Prime Minister Nehru of India, who is currently entertaining President Nasser, could do worse than bring up the subject of Suez in his conversation with his distinguished guests."

SHOULD WE PUT CONDITIONS ON OUR AID? THE WORLD BANK DID IN THE PAST

I know that many people believe it is wrong to hold up assistance and to put conditions on our aid. I strongly favor economic assistance to underdeveloped countries. We must do what we can to raise living standards in these countries. But I find it difficult to accept the arguments of those who say that it is wrong to put any kind of conditions on our assistance. That makes for a world of anarchy. The World Bank, itself, informed the UAR in 1955 that it would not be possible for it to get a loan for the Aswan Dam until it reached an agreement with neighboring Sudan on the sharing of the Nile waters, And, in 1957, it is no secret that the World Bank played a leading role in persuading the UAR to settle with the Suez stockholders—a commendable action—but it was quite clear that the World Bank was not prepared to lend money to the UAR for any improvements so long as it had destroyed its credit by taking the property of the Suez stockholders and denying compensation for it.

It has also been said that the new nations of the world are sensitive and suspicious and easily offended. They do not want to take sides, and they will not accept our good offices and our assistance if they believe that we are trying to impose our will upon them and transform them into satellites. And we, as Americans, who are very jealous of our freedom and independence of action, can sympathize with the desires of these governments to be free and to be immune from pressures from without. But this does not, on the other hand, mean that we can afford to ignore policies which are in conflict with the principles and decisions of the United Nations and which reflect irresponsibility and contempt for the international community.

We must not permit the recipients of our assistance to put unacceptable strings on the aid we give them. We must not permit them to say to us that they insist on their right to violate United Nations principles and decisions and that they insist on their right to remain in a state of war—surely an anomaly in 1960, when the world cries for disarmament and understanding and peace—and yet claim to deserve the benefits of our assistance programs.

GENEROSITY TO THE UAR HAS NOT PAID

It is argued that if we were generous with the UAR, if we gave it the World Bank loan, for example, it might moderate its position. But nothing has happened to justify this hope; on the contrary, the blockade against Israel has been intensified, and President Nasser has said categorically that he will not permit any kind of shipping connected with Israel to go through the canal.

THE RIGHTS OF THE ARAB REFUGEES

President Nasser insists that this is his way of helping the Palestine Arab refugees. It is a very curious way of helping them. I suggest that if the UAR were really concerned about doing something for the resettlement of the Arab refugees, it would move for peace and cooperation with Israel. It will not serve the interests of the Arab refugees to demand compensation from Israel and at the same time do everything possible to destroy Israel's economy. It will not encourage Israel to accept repatriation of any Arab refugees if Arab leaders continue to incite them to destroy Israel. The attempt to link the Suez Canal with the Arab refugees is a specious argument, invalid in law, and I believe, insincere in purpose.

THE ARAB BLOCKADE GETS TIGHTER

Bear in mind that the Arab States have been tightening their blockade around Israel. I call the attention of the Senate to an article in the Reporter of April 14, which is entitled "The Noose Around Israel," and which informs us, "The noose gets tighter and tighter and tighter." I call your attention to the fact that this article has stated that a vessel is placed on the blacklist if it:

Carries material to be used to strengthen the "Israeli war effort."

Calls at an Israeli port and at an Arab port during the same voyage. This does not apply to ships carrying passengers only, in which case the vessel has to call at the Arab port first and furnish the regional boycott office a complete statement of arrival and departure times at the ports.

Is chartered by Israeli companies or organizations (this was the case with the *Inge Toft*).

Carries immigrants to Israel.

Had originally been of Israeli nationality and was sold to another country (such a vessel has no hope of ever getting off the blacklist).

Carries Israeli industrial, agricultural, and commercial products.

Refuses to submit within 15 days the certificates and manifests requested in respect of previous voyages.

There is one other method of getting on the full blacklist, and that is by infringing the rules for the second time after removal from the list. There is no third chance.

OUR CURRENT AID TO THE ARABS

And all this despite the fact that we have been increasing our economic assistance to the Arab States. The amounts that are authorized for each of the countries in the Middle East are not disclosed in the mutual security program—they are not public property—but we understand that Jordan, Israel, the United Arab Republic, Sudan, and Yemen are destined to receive Special Assistance. Our country has generously assisted Israel. I hope that it will continue to assist Israel because that country is on the way to economic viability. But we have also in recent years increased vastly our economic assistance to the Arab countries.

AID TO JORDAN

In the fiscal year ending 1959, we gave Jordan some $52½ million in food and money, in addition to some military aid. And I am told that so far this year the Special Assistance program to Jordan totals $45 million.

AID TO THE UAR

Our assistance to the United Arab Republic consists largely of surplus foods, which are sold for Egyptian currency, as well as the gift of some surplus foods. The record shows that in fiscal 1959 the United Arab Republic received $11 million in food and money, and we sold the United Arab Republic some $48 million in surplus foods. In the current year, the UAR is receiving $4.2 million in Special Assistance; $1.5 million in Technical Cooperation; and gifts of food in the amount of $9 million. In addition to this, however, the UAR has been permitted to purchase $83 million in surplus foods for Egyptian currencies which are reloaned to help Egypt's and Syria's development. The Special Assistance money intended for the UAR for the current fiscal year will be used to equip Cairo's airport to accommodate jet planes. We are helping the UAR to expand its propaganda facilities. And we are given to understand that Egypt is receiving about $7 million in development loans. All this means that American assistance to the UAR in 1960 will be more than $100 million, and that does not include the World Bank loan for the Suez Canal.

In view of this most generous program, it must surely be clear to the Arab peoples that we wish them well, we want to help them raise their living standards, we want them to be free people, we want their friendship—even as we want the friendship of Israel. But could they not, as a contribution to peace, to the welfare of their own people and to humanity everywhere, could they not find it possible to accommodate themselves to Israel's existence and eliminate a threat of war which confronts us all?

THE RIGHTS OF AMERICANS ARE ALSO INVOLVED

I should like to point out that this situation affects the rights of Americans as well as the Arab-Israel conflict. The Arab boycotts are directed against many Americans in an attempt to strike at Israel through them.

THE INJURY TO AMERICAN TRADE AND SEAMEN

Blacklisting by the Arab States has injured American shipping and American seamen. The Arab States refuse to permit American ships which have traded with Israel to carry cargoes to Arab ports, and this even applies to cargoes carrying surplus foods purchased with funds advanced by the United States. Under the law, one-half of the shipments must be in American ships. This means that many American ships cannot secure these contracts unless they forgo trade with Israel. American seamen and shippers have been discriminated against. And so the Arab boycott and blockade against Israel have intruded into our own commerce. American businessmen who would like to trade with Israel are unable to do so for fear that they will lose their commerce with the Arab States.

We, as Members of Congress, should stand up for freedom of shipping and for the right of American ships to call at the ports of the world without suffering discrimination. I believe it is our duty to strengthen American policy and to strengthen the hands of the United Nations in this regard.

THE SURPLUS FOODS

You will note that the amendment refers to the funds disbursed under the Agricultural Trade Development and Assistance Act of 1954, as well as to the Mutual Security Act. I have, myself, written to the Department of State on these questions, and it has been suggested to me that our Government cannot bring an end to the practice of the Arab governments in forbidding the transport of foodstuffs and surplus commodities by ships that are blacklisted. This is a private transaction between the Government of Egypt and American shippers, and the Government of the United States has no jurisdiction over these contracts although American surplus foods are involved and American shippers are injured.

DO THE ISRAELIS FOLLOW THE SAME PRACTICE?

But I have also been told that the Israel Government carries on a similar practice. I would like to say at this point that there is a difference between the contract provisions in the Egyptian contracts and those provisions which appear in the contracts written by the Israel Government. The provisions which appear in the Egyptian contract state:

"Vessel is prohibited from calling at Israelian waters or ports. Transshipment is prohibited. To owner's knowledge vessel is not on any UAR blacklist and has not traded to Israeli ports under owner's management. Vessel is not blacklisted in the UAR."

This is quite different from the clause in the Israel contract which provides "Sailing in any Egyptian-Syrian-Jordanian-Saudi Arabian or territorial waters prior to discharge to Israel is prohibited."

In the one case, the Egyptians are boycotting all ships which have traded with Israel at any time. In the case of the Israel contract, the Israel Government is making certain that cargoes destined for Israel do not fall into the hands of the Arabs before they reach Israel lest they be confiscated. Thus the Israel provision is a defensive measure designed to protect cargoes from seizure. On the other hand, the Arab provision is a blacklist aimed at all ships which may have traded with Israel at any time.

The Israel precaution is not an empty gesture. In the article of the Reporter magazine of April 14, to which I have already referred, it is stated that, and I quote: "There is a story that recently an apparatus for artificial breathing had been shipped from New York to Israel. Before it left New York, however"—and I am quoting from the article—"a Lebanese official in the United States someow convinced the shippers that the apparatus was to be channeled through Beirut. When it got to the Lebanese capital, it was, of course, confiscated." And the article points out that privately the Lebanese were not very proud of this action.

DON'T WASTE OUR AID FUNDS

I hope that our economic assistance program to the Arab countries and to other nations in the Middle East will be continued without interruption and will serve a useful purpose. But I suggest that this program is negated if money furnished in economic assistance and in arms to Arab countries is used to further a war against Israel and an economic siege of Israel's friends. I am also concerned about the amount of money that we spend and I submit that we waste our economic assistance, we waste our foreign aid, if one of the beneficiaries of our program is boycotted and blockaded and besieged by other countries which receive assistance from us. Israel would be much further along towards economic self-sufficiency and economic viability if it were not subjected to this economic harassment. Thus the American taxpayer is also a victim of these practices. I believe that we owe it to ourselves to make certain that our aid is not wasted by the policies of countries that we seek to help and befriend.

Finally, Mr. President, I believe we must do what we can to uphold the integrity of the United Nations and the integrity of our American policy.

There have been some comments around the country about this amendment. I note that the Oakland Tribune of April 17, in an article by Raymond Lawrence on the blockade of the Suez Canal, writes about this amendment:

"This is not a categorical ban, since the amendment leaves it up to the President to decide whether we should subsidize the Suez blockade with millions in surplus foods and loans. Congress has thus laid down a principle about which the President should report regarding its application. It is one that should cause some serious thinking in Cairo about the need for intelligent and constructive efforts to settle the central problem in the Middle East."

And the Christian Science Monitor, in an editorial on April 23, 1960, pointed out:

"The House Committee on Foreign Affairs has proposed an amendment to the Mutual Security Act which would authorize the President to take into account the interests of economic cooperation and freedom of navigation in administering foreign aid. The United States can hardly afford to subsidize a restriction on foreign aid."

MORALITY IN FOREIGN POLICY

I am sure that these views reflect the best sentiment of the American people. I am sure that the mutual security program would be far more popular with the people of the United States if it were administered with a continuing and uncompromising regard for principles of morality and the interests of international peace. I do not share the views of cynics who believe that foreign policy is purely a matter of convenience, that we must be pragmatic and that we can afford to ignore interests dictated by moral considerations and principle. Our foreign policy will prosper throughout the world as our prestige rises. And our prestige will gain if the United States is forever identified with the cause of freedom and peace everywhere in the world. There can be no areas in the world marked off as "free zones for aggression," for boycott, for blockade and for war. We must work for peace everywhere.

Mr. DOUGLAS. I now yield 1 minute to the Senator from Alaska.

Mr. GRUENING. Mr. President, as a cosponsor of the amendment, I believe it is highly desirable that the United States stop appeasing dictators, especially when they are in definite violation of their own agreements and conventions. The United States is now contributing about $6½ million to the United Nations police force to keep the peace on the border between Israel and Egypt—a third of the total U.N. appropriation. All of this could be averted if we were not constantly stimulating and encouraging irresponsible dictators. It is desirable that this mild amendment, which does nothing more than declare a principle—but a vital principle for which the United States has long stood—be adopted. It does not tie the hands of the President, does not force him to adopt this policy. I hope the amendment will be adopted.

Mr. DIRKSEN: Mr. President, I yield 10 minutes to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, this is a textbook case.

Mr. DIRKSEN. I yield 10 minutes to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, this is a textbook case of how not to conduct international relations.

I hope no one in the Senate is so naive as to believe that the amendment will accomplish its ostensible purpose, which is to open the Suez Canal to Israeli shipping and to end the Arab economic boycott against Israel. What it will accomplish is to annoy the Arabs and fortify them in their conviction that in any issue arising from the Arab-Israeli controversy the United States, because of domestic political pressures, will be on the side of the Israelis. This Arab conviction, for which I regret to say history affords some justification, is the greatest single burden which American diplomacy has to carry in the Middle East.

If there were any real prospect that the amendment would be effective in opening the Suez Canal to Israeli shipping and ending the Arab boycott against Israel, then the objection that it would annoy the Arabs would not lie. But why annoy them if you are not going to accomplish anything by it—anything, that is, beyond the appeasement of certain uninformed minority groups in the United States?

The amendment suffers from other defects. It begins with a statement of principle that the United States favors freedom of navigation in international waterways, and with this there can certainly be no quarrel.

It continues with a statement that the United States favors economic coopera-

tion between nations. This is a little like being in favor of motherhood; yet I wonder how many Senators would be willing to apply it to the economic relations of the United States with the Soviet Union and Communist China.

Then, the amendment says that the purposes of the Mutual Security Act are negated and the peace of the world is endangered "when nations which receive assistance under this act wage economic warfare against other nations assisted under this act." This is a strange way to put it. Why is it limited to nations receiving mutual security assistance? Would the purposes of the act be promoted, or would the peace of the world be any less endangered if nations which did not receive assistance waged economic warfare against those who did, or vice versa?

The amendment clearly contemplates that the Mutual Security Act and Public Law 480 should be used as a club to force the United Arab Republic to open the Suez Canal to Israeli shipping. Suppose that assistance to the U.A.R. is terminated and suppose that the Suez remains barred to Israeli shipping. Is that going to further the purposes of the Mutual Security Act or contribute to the peace of the world? On the contrary, it will further embitter the Arabs and it will further drive them into the economic tentacles of the Soviet Union.

Finally, we come to the end of the amendment, and we find an escape hatch broad enough to accommodate almost anything. "These principles," the amendment says, "shall be applied, as the President may determine, and he shall report on measures taken by the administration to insure their application."

This is a strange diminuendo. We begin with a fortissimo declaration of noble principle. Then we say we mean it only as between nations receiving mutual security assistance. And finally, we end pianissimo—not with a bang but a whimper—saying it applies only "as the President may determine."

This amendment is a sham and a travesty and it will lead to no good, but only trouble.

The same pressures that put this provision in this bill are trying to hang this albatross on the IDA in the House.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Illinois on his time.

Mr. DOUGLAS. Since the Senator from Arkansas has explained that the President can disregard the sentiment of Congress in these matters, let me say that if the Senator wishes to propose an amendment to strike out the discretionary powers of the President, I shall be very glad to accept it.

Mr. FULBRIGHT. I said that that was only one of the objections to the amendment.

Mr. DOUGLAS. If the Senator from Arkansas will propose that amendment, I will be glad to accept it.

Mr. FULBRIGHT. That is only one of a series of defects.

Mr. DOUGLAS. Does the Senator wish to offer that as an amendment?

Mr. FULBRIGHT. I do not offer any amendment. I think the whole amendment is bad.

Mr. DOUGLAS. Very well.

Mr. FULBRIGHT. This is only the latest episode in this continuing quarrel.

Only recently, in New York, the unions took our foreign relations into their hands and have boycotted the unloading of an Egyptian ship called the *Cleopatra*. In response to that action, the New York Times on April 28 said:

Arab unions plan cutting of radio contact for U.S. shipping in Mid-East.

In other words, we are starting a vicious course of action and reaction. When one does something wrong, then someone else gets into the act, much as the unions in New York are doing, and tries to solve a very difficult problem by attaching strings to the aid program. I cannot think of any more unwise way to try to conduct foreign relations. The administration, the United Nations, and Secretary General Hammarskjöld are all actively trying to find a solution to this very difficult problem in the Middle East. They are doing it in the only way I can think of which might lead to success; that is, by patient negotiation with the authorities in the United Arab Republic and the other Arab countries.

I think it would be a great mistake for us to inject this kind of amendment into the foreign aid program.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I yield.

Mr. SALTONSTALL. Do I correctly understand that this proposal is contained in the House bill?

Mr. FULBRIGHT. It is.

Mr. SALTONSTALL. So the matter will be in conference; and if there is to be any proper language, or a change of language, it can be settled in conference.

Mr. FULBRIGHT. That is correct. I do not wish to offer any hope, so far as I am concerned, that there will be any proper language on this matter. I simply point out the fact that the language is in the House bill and will be in conference. I am confident that I shall oppose it in conference as strongly as I can because I think this is a very poor way to try to carry on our international relations.

Mr. President, to make this point clear for the RECORD, I ask unanimous consent to have printed at this point in the RECORD an article regarding this controversy, under the headline "Appeals Court Holds Up Ruling on Pickets at Arab Ship Here," published in the New York Times of April 28, 1960. The article relates to a controversy over the Egyptian freighter *Cleopatra* in New York Harbor, and the reactions which have followed from that boycott.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

APPEALS COURT HOLDS UP RULING ON PICKETS AT ARAB SHIP HERE—THE "CLEOPATRA'S" OWNERS CALL UNION ACTION POLITICAL—LABOR COUNSEL RETORTS

(By Werner Bamberger)

A legal attempt to lift at once the 2-week-old picket line established by American maritime unions against the United Arab Republic ship *Cleopatra* failed yesterday.

A three-man appeals tribunal, headed by J. Edward Lumbard, chief judge of the U.S. Court of Appeals for the Second Circuit, took under advisement a plea by the Khedivial Mail Line, owners of the 8,193-gross-ton vessel, to enjoin picketing.

The court reserved decision on an appeal from a ruling made last Saturday by Judge Thomas F. Murphy, of Federal district court, denying a preliminary injunction. The other members of the appeals panel were Judge Henry J. Friendly and Judge Leonard P. Moore.

Judge Murphy ruled that, in light of a Supreme Court decision handed down last week, the picketing of the ships by the Seafarers International Union was protected by the provisions of the Norris-La Guardia Act of 1932. The act prohibits Federal courts from issuing injunctions in cases involving labor disputes.

BASIS OF ISSUE ARGUED

The picketing by the S.I.U., supported by the International Longshoremen's Association, is in protest against the United Arab Republic's blacklisting of United States ships that have called at Israeli ports.

Joseph K. Grainger, counsel for the shipowners, told the court that the picketing constituted a violation of Federal antitrust laws and was a restraint of trade.

He said that, contrary to S.I.U. assertions, the dispute was political in nature and no labor dispute was involved. He added that Judge Murphy had erred in not granting a temporary injunction.

Mr. Grainger argued the principal question involved was whether a union could stop the work of a vessel to publicize the policy of a foreign government.

ARAB UNIONS PLAN CUTTING OF RADIO CONTACT FOR U.S. SHIPPING IN MIDEAST

CAIRO, April 27.—All Arab ports on the Mediterranean and Red Seas will cut radio contact with American ships from midnight Friday unless the New York picketing of the freighter *Cleopatra* is stopped, the newspaper Al Goumhouri said today. There was no confirmation of the report.

The paper said operators of the Alexandria Harbor wireless station acted in support of the decision by Arab trade unions to boycott U.S. shipping. It said coastal wireless stations in Arab countries along the Mediterranean and Red Seas had declared their support.

The International Confederation of Arab Trade Unions sent President Eisenhower a message last night deploring what it called Zionist attempts to destroy friendly American-Arab relations.

ZIONIST LINK CHARGED

"The boycott by American longshoremen of a United Arab Republic vessel is a flagrant intrusion in political affairs and a new method of international Zionism to settle the Palestine problem at the expense of the rights of 1 million Arab refugees forced out of Palestine," the Arab unionists' message said.

Ali Sabry, one of President Gamal Abdel Nasser's top aides, said in Tokyo that the U.S. Government could stop the picketing of the *Cleopatra* if it wanted. "We consider the picketing a provocative action," said Mr. Sabry, who has been in Tokyo as a guest of the Japanese Government.

Labor leaders all over the Arab world have been trying to work up a total Arab boycott of American shipping in reprisal for the *Cleopatra* incident. The boycott could drive a new wedge between the United States and Arab countries.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. AIKEN. I agree with the Senator from Arkansas that the adoption of this amendment will almost certainly make a bad matter much worse. It appears to be directed at such situations as the restrictions on the passage of Israeli ships through the Suez Canal, and the boycotting of Arab ships in certain ports of the world.

However, if this instruction or admonition to the President were carried out literally, I believe it would probably preclude our rendering assistance to almost any country in the world.

Paragraph (2), on page 2, reads:

> The purposes of this act are negated and the peace of the world is endangered when nations which receive assistance under this act wage economic warfare against other nations assisted under this act, including such procedures as boycotts, blockades, and the restriction of the use of international waterways.

The blockading of waterways or boycotting is certainly not the only method by which economic warfare is conducted. I, for one, cannot determine where competition leaves off and economic warfare begins. What about the dumping of surplus agriculture commodities or surplus industrial output on the markets of the world? What about price cutting in the markets of the world? What about the erection of trade barriers? These are all forms of economic warfare.

I do not believe we assist any country in the world today which does not carry on some form of very stiff competition or economic warfare against other countries. If this proposal were carried out literally by the President to the extent that it might go, it would undoubtedly preclude our giving assistance to almost any country in the world, because we are all competitive.

Mr. FULBRIGHT. The Senator from Vermont is quite correct.

I should state, too, that the administration is very strongly opposed to the amendment.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HICKENLOOPER. I completely agree with the statement of the Senator from Arkansas. I think this is a very ill-advised amendment. It could do nothing but create, at least, temporary chaos, and perhaps might cause permanent chaos, which might take a long time to have straightened out.

We all hope that the Suez Canal can be opened to all nations. No one approves of the idea of blockading Israeli shipping.

I suggest to the Senator from Arkansas, along the line of the suggestion of the Senator from Vermont [Mr. AIKEN], that if what is sought to be done by the amendment were done, what should we do about the contentions of Peru, of Equador, and of other Latin American countries, which claim a jurisdiction of 200 miles over the sea? What should we do about Mexico, which claims fishing jurisdiction to a limit beyond anything we agreed to? Those nations are blockading not only the United States, but other nations in international waters. In my opinion, they are in direct violation of international agreements.

I think the amendment would create a tremendous amount of ill will, and would create situations in the Middle East which would set us back a long time in the vigorous attempts which we are making to settle the situations there. I really think we have been making progress. I believe the situation is easing. But the amendment, if adopted, would set our progress back years, especially in the Arab Republic.

As much as we may sympathize with the sentiment of the amendment, I think it would be a tragic mistake if it were included in the bill.

Mr. FULBRIGHT. I thank the Senator from Iowa for that contribution.

Adoption of this amendment would obviously be interpreted as an attempt, through the mutual aid program, at coercion on these people. So I hope the Senate will reject the amendment.

Mr. LAUSCHE. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. Yes; if I have further time available.

The PRESIDING OFFICER (Mr. FREAR in the chair). The Senator from Arkansas has one-half a minute remaining.

Mr. FULBRIGHT. Then I yield.

Mr. LAUSCHE. Mr. President, in my opinion, the easy course to follow in regard to this amendment is to vote for it. The hard course, but the correct one, is to vote against the amendment.

This amendment must be disposed of on the basis of what will be in the best interests of our country. I fear gravely that if the amendment is agreed to, complications will follow, probably in a degree which will cause great worry to all of us.

I would want to be the first to vote to open the Suez Canal to the Israelis. I want the Israelis to use that canal. But in that connection, it is necessary that we take no action that will endanger the peace of the world which already hangs on precarious threads. So, Mr. President, the votes which Senators will cast on this amendment should be cast on the basis of considering the interests and welfare of our country first.

The PRESIDING OFFICER. The time available to the Senator from Arkansas has expired.

Mr. DOUGLAS. Mr. President, I yield 7 minutes to the Senator from New York [Mr. KEATING].

The PRESIDING OFFICER. The Senator from New York is recognized for 7 minutes.

Mr. KEATING. Mr. President, I should like to deal briefly with some of the points the Senator from Arkansas and other Senators have made.

In the first place, in voting on this amendment, let no Senator vote against it because of a belief that the matter can be handled in conference. This language is in the House version of the bill; but the Senate conferees who presumably will be appointed are not sympathetic to the amendment. So no Senator should consider voting against the amendment, having in mind the idea that the matter will be handled in conference.

In the second place, of course, the amendment will not automatically open the Suez Canal to commerce. However, we have heard many pious statements to the effect that the Suez Canal should be opened to free navigation by everyone. But we know the canal has not been opened to such navigation. We know that Colonel Nasser and the Egyptians have flouted international law. We know that not only have they denied Israeli ships the right to use the canal, but they have also prevented Israeli cargoes from being taken through the canal, and they have seized a number of those cargoes.

Are we ready to back up with some very moderate action the pious statements we have made?

Let us remember that this amendment is only a statement of the sentiment or the sense of the Congress. It is no more than that.

Objection has been made to the first part of the amendment; it is said that it does not go far enough, and that there are other areas in which economic warfare can be waged. If any Senator desires to present a sense-of-the-Congress amendment which condemns some other kind of economic warfare against other countries we are aiding, I shall be happy to support such an amendment.

Of course this amendment is limited. It has been rather carefully drafted. The Senator from Arkansas has made a great point to the effect that the amendment does not apply to all the nations of the world, but applies only to the nations to which we are giving assistance. Certainly any such argument against this amendment is entirely specious, because in connection with this mutual aid bill we can take action only with regard to countries to which we are giving aid under the mutual assistance programs.

By means of this amendment, if it is agreed to, we shall say to the countries to which we are giving aid under the mutual assistance programs that it is the sense of the Congress that there should be free navigation through any international waterways with which they may have anything to do; that we are condemning economic sanctions, such as boycotts and blockades, and any restriction on the use of those waterways; and that any funds appropriated under this Act shall be used only in accordance with these principles, as the President may determine.

In other words, if the amendment is agreed to, it will still leave a considerable degree of discretion available to the President. We would still leave him the discretion in foreign policy which is required by the Constitution.

Mr. JOHNSON of Texas. Mr. President, will the Senator from New York yield to me at this time, with the understanding that the time I shall use now will not be charged to the time available to him?

Mr. KEATING. I am happy to do so.

Mr. JOHNSON of Texas. Mr. President, I am informed that more than a dozen amendments will be offered. They can be debated tomorrow, under the time agreement.

I wonder whether it will be possible now to obtain an additional agreement, to the effect that each amendment that is

offered will be debated tomorrow, under the agreement, and with the further understanding that the proponents will have not to exceed 5 minutes on Monday, and the opponents will have not to exceed 5 minutes on Monday, and that all rollcall votes will be had on Monday. I so request.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSTON of South Carolina. Mr. President, I believe it is understood that I shall have one hour to discuss my amendment.

Mr. JOHNSON of Texas. Yes, following the Dirksen amendment.

The PRESIDING OFFICER. Is there objection to the request?

Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I should like to put all Senators on notice that in a short time we shall have a yea-and-nay vote on the question of agreeing to the Douglas amendment, and thereafter we shall proceed for 50 or 60 minutes to debate the Church amendment and thereafter we do not expect to have any more yea-and-nay votes this evening.

We hope and expect to have yea-and-nay votes on Monday. We expect to exhaust all time for debate on all amendments tomorrow; and we shall proceed under a 5-minute limitation on Monday, and we expect to take the vote on the question of final passage of the bill, on Monday.

The PRESIDING OFFICER. All Senators will take due notice of this announcement.

Mr. KEATING. Mr. President, how much time remains available to me?

The PRESIDING OFFICER. Two minutes.

Mr. KEATING. Mr. President, I wish to say that my distinguished senior colleague from New York [Mr. JAVITS] is today in Paris, on official business in connection with the NATO Parliamentarians Conference. He has telephoned, and has asked that his name be added as a consponsor of this amendment. He has been a longstanding leader in this field, is deeply interested in this amendment, and believes very strongly that it should be added to the bill.

The PRESIDING OFFICER. The Chair assumes that the Senator from Illinois would have no objection.

Mr. KEATING. His name has been joined.

Mr. President, in order that the full purport of the amendment may be understood, I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, a statement setting forth the background of what has been happening to the Suez Canal and the need for the pending amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KEATING ON FREEDOM OF NAVIGATION AMENDMENT TO MUTUAL SECURITY BILL

I am proud to be a sponsor of this amendment, and I am delighted that so many of my colleagues have joined in endorsing this addition to the Mutual Security Act of 1960. I believe it is incumbent upon this body to follow the lead of the House of Representatives and include language in the bill reaffirming our dedication to the principle of the freedom of international waterways.

This amendment is both timely and pertinent, in the light of activities in recent months by Colonel Nasser and his agents in the Suez Canal. By his acts of obstruction and hinderance, the Egyptian Chief Executive has effectively flouted established international law and has severely strained relations with his neighbors in Israel. In fact, the whole Middle East tinderbox could well be set off if Egypt persists in her meddling tactics with regard to Israeli shipping in the Suez Canal.

It is to the everlasting credit of the United States that we have generally taken a strong stand in opposition to the machinations of Colonel Nasser. But it is important for the peoples' representatives to give concrete backing to the efforts of our Government by means of the language of this proposed amendment.

In addition, adoption of this amendment will help strengthen the hand of our representatives in the United Nations. This is important because in the view of many observers the intensification of the Suez Canal blockade during the past year reflects the failure of the U.N. to find suitable means to enforce its decisions with regard to free transit through the canal. If we are to be true not only to the principles of the United States and the United Nations, but the established pinciples of international law, we must press forward with action to condemn Egypt's blockade both within and without the U.N.

As a matter of fact, I have long contended that the United States should take the lead in stern actions against the United Arab Republic. We should, for example, use our influence to urge a denial of U.A.R. funds from the World Bank until Colonel Nasser sets his house in order. Unfortunately, a $56 million loan was granted last December, at a time when two ships—one Danish and the other Greek—were being detained by the U.A.R. at Port Said.

For a full understanding of the need for a strong and aggressive American policy with regard to Colonel Nasser's piracy in the Suez Canal, it is essential to have a knowledge of the background of the present situation.

BACKGROUND ON THE SUEZ CANAL

The Suez Canal is a 110-mile waterway, built in Egypt linking the Red Sea with the Mediterranean, and has special status in international law. The doctrine that the Suez Canal should be open to all vessels at all times was developed even before the canal was constructed. This stipulation was made in the concession granted the Compagnie Universelle du Canal Maritime de Suez on January 5, 1856. The canal was in operation less than a year when its special status was tested by the Franco-Prussian War of 1870–71. Then, although French nationals were in control of the Suez Canal Company, the waterway remained open to both belligerents.

This special status was again tested in the Russo-Turkish War in 1877. Russia was in a position to blockade the canal, but she assured Great Britain, which had bought a 44-percent interest in the canal company from the Egyptian Khedive 2 years earlier and had since assumed responsibility for its protection, that she would "neither blockade, nor interrupt, nor in any way menace the navigation of the Suez Canal." Therefore the canal remained open to the belligerents.

Even during the Italian-Ethiopian hostilities in 1935–36, when the League of Nations branded Italy as the aggressor nation, Italy was permitted free access, although it was widely argued that closing the canal to her shipping would be the most effective sanction.

In 1882, Egypt was the scene of a revolt against the Khedive, and the rebels were about to destroy the canal. A British military expedition arriving on the scene saved the Egyptian ruler, and Egypt then became a British protectorate.

In view of the canal's importance to all powers, it was recognized that its status needed a more precise definition. In 1888, the "Convention Respecting the Free Navigation of the Maritime Suez Canal" was signed in Constantinople by the representatives of the following powers: Great Britain, France, Germany, Austria-Hungary, Italy, Russia, Spain, Turkey, and the Netherlands. The Constantinople Convention of 1888 remains to this day the basic instrument governing the use of the Suez Canal and is recognized as a major tenet of international law.

The Convention spelled out the international guarantees on the freedom of shipping through the Suez Canal to all nations in peace or war. It stipulated that "the Suez Maritime Canal shall always be free and open in time of war as in time of peace, to every vessel of commerce or war, without distinction of flag."

Article I states precisely: "The canal shall never be subjected to the exercises of the right of blockade."

In subsequent years, the nations of the world have scrupulously observed the guarantees laid down in the Convention.

In 1898, during the Spanish-American War, the United States was free to send its fleet through the canal.

In 1904–05, during the Russo-Japanese War, Great Britain was an ally of Japan, but Russia as well as Japan was able to send their shipping through the canal.

And in World War I, Great Britain permitted Germany to use the canal, and did not obstruct it.

In 1936, the Treaty of Alliance between Great Britain and Egypt again reaffirmed the status of the canal as an international, universal means of communication.

In March 1938, an Anglo-Italian agreement acknowledged that the Constantinople Convention "guarantees at all times for all powers free use of the Suez Canal."

Even in World War II the canal technically remained open to all, although actually the Axis vessels made no use of it.

This principle—the international guarantee for the freedom of shipping in the Suez Canal, first voiced in 1856, embodied in the convention, by which Egypt is still bound—still governs the international character of the waterway. The practices of the past, historically recognized and observed through decades of war and peace, by all nations, give the canal its legal and special status.

The United Arab Republic's recent actions in boycotting the canal, and in searching and confiscating ships and cargo which attempt to pass through it, are in sharp contrast to all historic precedents. Egypt cannot regard the blockade as a domestic question—as some of her spokesmen have declared—even though the canal happens to be entirely within Egyptian territory. Colonel Nasser's flouting of international law is a matter for international condemnation.

UNITED NATIONS DECISIONS

In 1947, the problem of Palestine was the key issue at the United Nations. Great Britain had turned over responsibilities for her Palestine mandate to the U.N. for settlement and the U.N. then dispatched a Special Commission To Investigate Tensions in the Middle East. On its return, the Commission urged partition of Palestine into independent states—Arab and Jewish. And during the debate on partition, Prime Minister Nokrashy Pasha, of Egypt, at a Security Council meeting on August 5, 1947, while asserting the absoluteness of Egyptian sovereignty over every inch of Egyptian soil, declared that the Suez Canal was an inter-

national waterway open to all nations in time of peace and in time of war.

The United Nations General Assembly approved partition on November 29, 1947. Israel declared her independence on May 14, 1948, but the Arab States refused to recognize the United Nations resolution and attacked Israel. At the same time, Egypt began to board and search ships entering the Suez Canal and to confiscate cargoes which it declared "contraband."

The Egyptian-Israeli Armistice Agreement, signed at Rhodes on February 24, 1949, provided that neither country would engage in warlike or hostile acts against the other. It was to remain in force until "a permanent peace between the parties is achieved." Still, Egypt continued to search ships passing through the canal and to seize Israel-bound cargoes.

Egypt insisted upon looking at the agreement as a mere suspension of hostilities leaving belligerent rights intact. The Egyptian U.N. delegate at the Security Council on July 26, 1951, maintained that all armistices are simply agreements between belligerent forces for a temporary cessation of hostilities; and that Egypt's right of visit and search, therefore, could not be questioned.

Israel, however, pointed out that this agreement specifically states that it is not a mere suspension of hostilities, but a permanent and irrevocable renunciation of hostile acts. And Dr. Ralph Bunche, acting United Nations mediator who negotiated the agreement, declared in July 1949:

"The entire heritage of restrictions which developed out of undeclared war should be done away with. There should be free movement for legitimate shipping and no vestiges of the wartime blockade should be allowed to remain, as they are inconsistent with both the letter and the spirit of the armistice agreements."

Egypt's policy of interfering with shipping through the canal affected many nations besides Israel. The great sea powers, the United States and Great Britain, as well as France and the Netherlands whose ships were also affected, were alarmed at any measures that would infringe on their freedom of shipping, lose them the right to transverse the canal, and make them ship around the Cape of Good Hope to the Indian Ocean.

Israel, deprived of her maritime freedom, complained to the Mixed Armistice Commission which had been created by the armistice agreement. On August 29, 1949, the Commission established that it had the right to demand that the Egyptian Government shall not interfere with "the passage of goods to Israel from the Suez Canal." Egypt challenged the ruling before a special committee which had also been set up under the armistice agreement, and that committee overruled the Commission's directive.

On July 11, 1951, Israel turned to the United Nations Security Council and asked it to resolve the issue. On September 1, 1951, the Security Council passed a resolution which called on Egypt "to terminate the restrictions on the passage of international commercial shipping and goods through the Suez Canal wherever bound."

The Security Council resolution enunciated in bold language that it:

"Finds that the maintenance of the practice (the present practice of interfering with the passage through the Suez Canal of goods destined for Israel, par. 4) is inconsistent with the objectives of a peaceful settlement between the parties and the establishment of a permanent peace in Palestine set forth in the armistice agreement;

"Finds further that such practice is an abuse of the exercise of the right of visit, search, and seizure;

"Further finds that such practice cannot in the prevailing circumstances be justified on the ground that it is necessary for self-defense;

"And further noting that the restrictions on the passage of goods through the Suez Canal to Israeli ports are denying to nations at no time connected with the conflict in Palestine, valuable supplies required for their economic reconstruction, and that these restrictions, together with sanctions applied by Egypt to certain ships which have visited Israeli ports, represent unjustified interference with the rights of nations to navigate the seas and to trade freely with one another, including the Arab States and Israel;

"Calls upon Egypt to terminate the restrictions on the passage of international shipping and goods through the Suez Canal, wherever bound, and to cease all interference with such shipping beyond that essential to the safety of shipping in the canal itself and to the observance of the international conventions in force."

The Egyptian authorities, however, persisted in their acts of confiscation, detention and molesting of ships procceding to and from Israel even in respect to goods which were not included in their "contraband" list.

THE RECORD OF AGGRESSION

The record of economic warfare waged by Egypt against Israel and other maritime nations by blockading the Suez Canal can be noted as follows: October 31, 1952, the Norwegian ship *Rimfrost* en route from Eritrea to Israel, was detained at Port Said and its cargo of frozen meat was confiscated.

On September 2, 1953, a cargo of Israel-assembled motor cars consigned to Kenya was confiscated aboard the Greek freighter *Parnon*.

On December 14, 1953, a cargo of meat was confiscated at Port Said aboard the Italian vessel *Franca Maria* on her way to Haifa.

On December 22, 1953, a shipment of motorcycles and personal effects consigned to Israel was confiscated from the Norwegian freighter *Triton*, en route from Melbourne to Genoa.

On July 8, 1955, a similar consignment was taken off the Dutch ship *Fedala*.

On September 28, 1954, the Israel freighter *Bat Galim* en route from Eritrea to Haifa carrying hides and food, was stopped at the entrance to the Suez Canal. The ship was seized, the cargo confiscated and the crew imprisoned. The crew was not liberated until January 1, 1955, and the ship was not released.

On February 26, 1959, the S.S. *Captain Manolis*, a Liberian ship, carrying potash, fruit juices and cement for Ceylon and Malaya was stopped at Port Said and its cargo impounded.

On March 9, 1959, a German boat, the *Lealott*, was stopped and its cement cargo was taken.

On May 21, 1959, the Danish *Inge Toft* was detained and 8½ months later was released, with its cargo finally yielded up to the UAR authorities.

On December 19, 1959, the Greek-owned *Astypalea*, from Haifa to Eritrea, was halted at Port Said, and was finally released in March 1960, after its cargo was also impounded.

The American freighters, the *Kern Hills*, the *Westport*, and the *Valiant* were also stopped and held this past year and the crews were molested and abused.

NINETEEN HUNDRED AND FIFTY-FOUR STATUS

In 1953, Egypt enlarged its blockade to include the Gulf of Aqaba and on November 30, 1953, it issued a definition of "contraband" to include "foodstuffs and all other commodities which are likely to strengthen the war potential of the Zionists in Palestine."

Israel once more protested to the Security Council, and on March 29, 1954, eight Council members including the United States supported a resolution which noted "with grave concern that Egypt has not complied with the 1951 resolution; calls upon Egypt, in accordance with its obligations under the charter to comply."

Russia's veto power helped Egypt escape this indictment.

In the meanwhile, Egypt and Great Britain were negotiating on the British withdrawal from the Suez base. The United States was mediator in the settlement.

A number of Members of Congress saw in this an opportunity for the United States to intercede and obtain a pledge from Egypt to cease the blockade. On July 27, 1954, they wrote to the Department of State urging our Government to act on this issue. They said:

"The negotiations are an historic opportunity to dispose of the blockade. * * * Failure to act * * * may cause a detrioration * * * because it could be interpreted by * * * Egypt as an indication that we do not regard the blockade as a matter of sufficient concern."

In his reply, former Assistant Secretary of State THURSTON B. MORTON, and now a distinguished Member of this body, stated that the agreement had already been reached but that it will "express the determination of both parties to uphold the 1888 Convention, guaranteeing the freedom of navigation of the Canal."

And he reiterated the U.S. position as standing "fully behind" the United Nations resolution of September 1, 1951, despite Russia's 1954 veto. He said the United States regards the resolution as valid and "will continue to urge compliance with it."

Israel tested the new understanding by seding the *Bat Galim* to the canal. The boat was confiscated and its crew placed under arrest until January 1, 1955. The United Nations countered this Egyptian action with a statement from the Security Council president that "most representatives regard the September 1, 1951, resolution as having continuing validity and effect."

SUEZ AND AFTERMATH

In 1956, the Suez crisis erupted. Nasser nationalized the canal and the West began a new struggle to ensure international regulation.

In the United Nations debate which followed the Suez operation, Egypt agreed to abide by six principles propounded by the Western nations which provided:

"1. There should be free and open transit through the canal without discrimination, overt or covert—this covers both political and technical aspects;

"2. The severeignty of Egypt should be respected;

"3. The operation of the canal should be insulated from the politics of any country;

"4. The manner of fixing tolls and charges should be decided by agreement between Egypt and the users;

"5. A fair proportion of the dues should be allotted to development;

"6. In cases of disputes, unresolved affairs between the Suez Canal Co. and the Egyptian Government should be settled by arbitration with suitable terms of reference and suitable provision for the payment of sums found to be due."

But the U.S.S.R. vetoed the resolution in October 1956 and, although Egypt accepted the principles, she resisted any supervision impinging on her sovereignty.

President Eisenhower, on February 20, 1957, in a television address urging Israel to withdraw from the Sinai Peninsula and Gaza, declared:

"We should not assume that, if Israel withdraws, Egypt will prevent Israeli shipping from using the Suez Canal or the Gulf of Akaba. If, unhappily, Egypt does hereafter violate the armistice agreement or other international obligations, then this should be dealt with firmly by the society of nations."

For nearly 2 years following that, ships carrying cargo to and from Israel were allowed to pass through the Suez Canal, although Israel flagships were still refused transit.

UAR TIGHTENS BOYCOTT—THE "INGE TOFT"

But a year ago, this uneasy gentlemen's agreement seems to have ended. Colonel Nasser suddenly stopped ships carrying cargoes from Israel to the Far East. These were not Israeli flagships, but vessels of other countries carrying cargoes among which were Israeli goods. The boycott was tightened and the cargoes were impounded. The ships were allowed to proceed only once they had yielded the Israeli material.

On May 21, 1959, Nasser halted the Danish ship *Inge Toft*. The captain refused to turn over the cargo, so the freighter was tied up in Port Said Harbor. This detention stirred up justifiable resentment in Congress and throughout the country.

On June 24, 1959, I joined 24 other Senators in a telegram to the White House, indicating our concern over the UAR's seizure of cargoes shipped to and from Israel via the Suez Canal. The 25 Senators included Gordon Allott, E. L. Bartlett, J. Glenn Beall, Homer E. Capehart, John A. Carroll, Clifford P. Case, Paul H. Douglas, Clair Engle, Ernest Gruening, Philip A. Hart, Thomas C. Hennings, Jr., Jacob K. Javits, Gale W. McGee, Wayne Morse, Frank E. Moss, James E. Murray, Richard L. Neuberger, William Proxmire, Leverett Saltonstall, Hugh Scott, Stuart Symington, Alexander Wiley, Harrison A. Williams, Jr., and Stephen M. Young.

The administration reassured us that: "The U.S. Government's position with respect to the unrestricted use of the canal is clear and unequivocal." The letter from the Department of State answering our letter, signed by Assistant Secretary of State William Macomber, Jr., reaffirmed the U.S. support of United Nations resolutions. With regard to the *Inge Toft* case, he assured us that the administration was fully behind Secretary General Dag Hammarskjold's attempts at settling the issue and that "we will continue to take every appropriate measure which may contribute to a resolution of this problem."

Secretary General Dag Hammarskjold assumed the mission of going to Cairo to discuss the deadlock over Nasser's continuing Suez blockade. On July 1, he arrived in Cairo. However, on June 30, Nasser gave an interview to an Egyptian newspaper in which he stated that despite United Nations decisions, Egypt would still block the canal to Israel shipping. He charged that the *Inge Toft's* journey was an Israel conspiracy with three objectives:

1. To liquidate the remnants of the Palestine problem. His policy of barring their ships was "one of the remaining cards in the hands of the people of Palestine."

2. To push the UAR toward political isolation and Nasser felt that if the issue of freedom of shipping in the canal came before the Security Council at that time it would hamper Egypt's political relations with international organizations, since Israel might win.

3. To infiltrate into Asia and Africa, sowing disagreement betwen the Arabs and the Asian and African countries. "Our seizure of these goods * * * bound for those countries * * * was bound to raise problems between us and these countries," he said.

Nasser insisted that the Constantinople Convention gave Egypt the right to take the necessary measures to guarantee the defense of the canal and that a state of war still existed between Israel and the UAR.

NASSER-HAMMARSKJOLD ARRANGEMENT

At the July 1959, meeting between Nasser and Hammarskjold a reported "arrangement" was made. Under it, the UAR might permit the passage of Israel goods, if, providing at the time of transit through the canal, neither the ships nor the cargo were the property of Israel, and providing that no publicity accompanied the passage.

The United Nations General Assembly once more took up the problem in its 14th session this past September. Secretary of State Christian A. Herter declared that the U.S. position was unchanged in support of free passage through the canal. British Foreign Secretary Selwyn Lloyd also gave his country's position in upholding the international character of the canal. Twenty-eight nations spoke in favor of the freedom of shipping through the Suez waterway, and criticized the UAR's illegal blockade.

Finally, in December, Israel agreed to test the terms of the Nasser-Hammarskjold proposal, and the Greek *Astypalea* left Haifa for Eritrea carrying 400 tons of cement. Israel notified all the proper authorities through diplomatic channels and there was no public publicity. Nevertheless, on December 18, Port Said officials detained the ship, thus repudiating the Secretary General of the United Nations and his agreement with Colonel Nasser. Mr. Hammarskjold appealed to the UAR Government, which refused to answer.

In January, he went to Cairo to renew his suit. He failed to win any concession from Colonel Nasser.

On February 9, 1960, at a press conference, Secretary of State Herter once more explained the U.S. position. He said:

"The Secretary General of the United Nations undertook to deal firmly with this matter between Israel and Egypt. His efforts are still continuing. As of now, they do not appear to have been too successful. But how they will turn out, I cannot say at this time. He may still succeed in working out a modus vivendi which will take care of that problem. Until we know the degree of success or failure which he has achieved, I feel that working through that channel, to which we have given full support, is the best way of handling the matter."

Mr. Hammarskjold, returning from his fruitless trip to Cairo, told the press on February 4:

"The fact that certain attitudes of member governments are not adjusted to what, from my point of view, is the U.N. line, does not mean acquiescence either from the U.N. or from the Secretary General."

Meanwhile, Cairo radio broadcast: "Israeli ships shall never pass through the Suez Canal except over our dead bodies."

On April 7 the *Astypalea* was released, and Mr. Hammarskjold said he would renew his efforts to open the canal. Nevertheless, the Suez Canal today remains closed.

In spite of repeated U.N. decisions, consistent American declarations, unswerving congressional perseverance, the history of the canal itself and the clear command of international law, there is still no working solution to the quandary.

Egypt's interference with shipping in the canal runs counter to:

1. The Constantinople Convention;
2. The Egyptian-Israel General Armistice Agreement;
3. The Charter of the United Nations;
4. The decisions of the United Nations;
5. The expressed policy and opinion of major nations; and
6. The established principles of international law.

THE AMENDMENT

With this rather extensive background in mind, the present need for a reaffirmation of American backing for the principle of free transit through the Suez Canal comes into better focus. The amendment now before the Senate provides the vehicle for that vital statement of policy by the peoples' representatives.

Clearly, the present situation cries out for action to reduce tension in the Middle East to prevent a threat to peace from developing in that area. With this situation in mind, a special subcommittee of the House Foreign Affairs Committee, in a recent report, made a strong recommendation that the "United States vigorously support and encourage efforts to obtain free transit through the Suez Canal of persons and goods coming to and from Israel." The report correctly described the Arab-Israel dispute as "an ever-ready volcano" which "commands the free world's attention as a primary area for affirmative action."

Partially as a result of this report, the House Foreign Affairs Committee this year recommended this significant amendment to the Mutual Security Act of 1960. The amendment was adopted in committee by a vote of 19 to 3 and was included in the bill approved by the House.

In its report on the bill, the House committee pointed out that it had followed closely developments in the canal and questioned whether the United States had done as effective a job as possible in urging removal of restrictions on the free movement of commerce through the canal. The report then stated:

"With this and other situations in various parts of the world in mind, the committee proposes an amendment to the Mutual Security Act, expressing the sense of Congress that the United States favors freedom of navigation in international waterways and economic cooperation between nations."

As I have noted, the House endorsed the stand of its Foreign Affairs Committee and included this amendment in its version of the mutual security bill. Unfortunately, the Senate Foreign Relations Committee failed to follow suit.

It is my understanding that this amendment was discussed in the Foreign Relations Committee but was never brought to a vote. We feel it is vital that the sentiment of the Senate be obtained on this matter, particularly in view of the very strong backing it received in the other body.

It should be carefully noted that there are precedents for action of the type proposed by the pending amendment. As recently as last year, in the mutual security appropriations bill, Congress went on record as opposing discrimination by recipients of American aid against Americans on the grounds of race or religion. I testified before the Senate Appropriations Committee in support of that amendment.

The language of this amendment is largely self-explanatory. It states that "the purposes of this act are negated and the peace of the world is endangered when nations which receive assistance under this act wage economic warfare against other nations assisted under this act, including such procedures as boycotts, blockades, and the restriction of the use of international waterways."

The amendment further states that "it is the sense of the Congress that * * * assistance under this act and the Agricultural Trade Development and Assistance Act of 1954 * * * shall be administered to give effect to these principles. * * *" The amendment also states the sense of Congress that in negotiations under the mutual security program or under Public Law 480, "these principles shall be applied, as the President may determine, and he shall report on measures taken by the administration to insure their application."

It should be emphasized—so there will be no misunderstanding on this score—that this language applies not only to the Mutual Security Act but also to the Agricultural Trade Development and Assistance Act. This is because if the Arab nations which have been allocated large shipments of surplus American commodities continue to blacklist

American shippers who trade with Israel, steps should be taken to reduce or eliminate such allocations.

I also wish to call attention to the rather careful manner in which "the sense of Congress" is expressed. There is no outright command to the President. There is no sweeping or categorical ban on assistance to offending nations.

The amendment fully recognizes that the President can and must have final discretion in matters relating to our foreign policy. Thus, if the President at any given time should determine that it is in the best interests of the United States to continue to send aid to the Arab nations in spite of acts of economic warfare and obstruction of international waterways, he would not have to cut off such aid. However, he would have to report to Congress on measures taken by the administration to insure the application of the principles set forth in this amendment.

I am firmly convinced that adoption of this amendment is essential if we want to stiffen America's policy on blockades and boycotts. It is essential if we are to proceed with efforts to call a halt to the highwayman activities of the U.A.R. It is a must if continuing lawlessness and economic warfare in the Near East is to be brought to an end.

Let us, then, by an overwhelming vote, express the will of the American people. I believe deeply our people back to the hilt America's traditional support for freedom of the seas. I believe they support strongly efforts to deny aid to those who thwart the established principles of international law by means of blockades and boycotts.

By adopting this amendment we can show Colonel Nasser we mean business when we ask him to stop using the Suez Canal as a political pawn. We can reaffirm our dedication to the integrity of the high seas. And we can restate in concrete terms our continued high regard for that noble and courageous bastion of democracy in the Middle East, Israel.

If we are to remain true to our traditions and our heritage, if we are to do our part in promoting peace and tranquillity in the Middle East, we must adopt this amendment.

Mr. KEATING. Mr. President, if the extensive background of the present situation is borne in mind, the present need for U.S. backing of the principle of free transit through the Suez Canal comes into complete focus. The pending amendment provides a vehicle for a vital statement of policy regarding the principle of freedom of the seas by the representatives of the American people. Clearly, Mr. President, the situation today in the Suez Canal and in the Near East and the tension that has been created cry out for action by us. But it must be careful, moderate, considered action. This amendment is framed in that way.

I want to emphasize that the House Committee on Foreign Affairs voted 19 to 3 in favor of adding this significant amendment to the Mutual Security Act of 1960. It is included in the measure passed by the other body.

Mr. President, this amendment is not without precedent. When we were faced last year with the situation involving rank discrimination by Saudi Arabia and officials of that country, we adopted, in the mutual security appropriation bill, an amendment in which we went on record as opposing discrimination by recipients of American aid against Americans on the grounds of race or religion.

The amendment before us is in keeping with the language employed last year. Thus we have a clear precedent for the pending amendment. We have yelled and shouted about the need for free transit through the Suez Canal for a long time, and it is high time we acted in this field.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from Kentucky [Mr. COOPER].

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 2 minutes.

Mr. COOPER. Mr. President, when some sponsors talked to me about this amendment, I indicated my sympathy with its objectives; but, on reflection and study, I am convinced the amendment can have no effect toward opening the Suez Canal, and I shall vote against it. I want to give my reasons to friends in this body who have talked to me about the amendment.

First let me say, that I believe the embargo against Israeli shipping or any shipping, contravenes the Convention of 1888. I think it contravenes the spirit at least of the Suez Canal settlement. And, it is not in harmony with the attitude exhibited by the United States in 1956, at the time of the Suez Canal crisis. I believe the UAR would make a great contribution to world order by lifting its embargo. The United States has the means of acting directly and on a straight forward manner upon this issue, through direct negotiations, and through the United Nations. This is the proper course to follow.

It is my judgment that the adoption of this amendment could produce an effect opposite to that which is intended. The response to this indirect approach would be negative and we would lose our ability to negotiate directly or through the United Nations for full and free use of the Suez Canal. I hope the canal will be so opened. But I believe, with all my heart, the adoption of this amendment will not secure any action which would be helpful to Israel. It would only work against the objectives we hope for—the opening of the canal.

Mr. DIRKSEN. Mr. President, the Senator from Illinois [Mr. DOUGLAS] still has time left.

The PRESIDING OFFICER. The Senator from Illinois has 1 minute.

Mr. DIRKSEN. Mr. President, within the 3 minutes allowable to me, I should like to say that the State Department is opposed to this amendment. The administration is opposed to it. They make the following points:

It would be widely misunderstood by friendly nations abroad. Our Embassies unanimously share the concern of the administration, and they have personnel in the field who survey this matter and have a full understanding of it. They make the point it would be widely interpreted as demonstrating favortism. They say it would render difficult our efforts to bring about a relaxation of tensions. They say it would be an effort to tie strings to our economic aid and potentially to threaten the use of aid as an instrument of political coercion.

Finally, they make the point that it would probably make the task of eliminating the boycott more difficult and play into the hands of the Soviet bloc, which seeks to exacerbate Middle East tensions, and to further its penetration into the area.

Mr. President, in view of the fact that our embassies in the field, our State Department, our President, and the committee oppose the amendment, it should be voted down.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois, for himself and other Senators. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. LONG of Louisiana (when his name was called). On this vote I have a pair with the senior Senator from Minnesota [Mr. HUMPHREY]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

Mr. SALTONSTALL (when his name was called). On this vote I have a pair with the senior Senator from New York [Mr. JAVITS]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. TALMADGE (when his name was called). On this vote I have a pair with the distinguished junior Senator from Massachusetts [Mr. KENNEDY]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. BIBLE], the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from West Virginia [Mr. BYRD], the Senator from Nevada [Mr. CANNON], the Senator from Colorado [Mr. CARROLL], the Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GREEN], the Senator from North Carolina [Mr. JORDAN], the Senator from Oklahoma [Mr. KERR], and the Senator from Montana [Mr. MURRAY] are absent on official business.

I further announce that the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent.

I further announce that, if present and voting, the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Nevada [Mr. BIBLE], the Senator from West Virginia [Mr. BYRD], the Senator from Nevada [Mr. CANNON], the Senator from Colorado [Mr. CARROLL], the Senator from Rhode Island [Mr. GREEN], the Senator from Oklahoma [Mr. KERR], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

On this vote, the Senator from Alaska [Mr. BARTLETT] is paired with the Senator from North Carolina [Mr. JORDAN]. If present and voting, the Senator from Alaska would vote "yea" and the Senator from North Carolina would vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BEALL], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Connecticut [Mr. BUSH] are necessarily absent.

The Senator from New York [Mr. JAVITS] is absent by leave of the Senate to attend as Chairman of the Economic Committee a meeting of the NATO Parliamentarians Conference at Strasbourg, France, and his pair has been previously announced.

The Senator from New Hampshire [Mr. COTTON] and the Senator from Nebraska [Mr. HRUSKA] are absent on official business as members of the Board of Visitors of the U.S. Military Academy.

The Senators from North Dakota [Mr. YOUNG and Mr. BRUNSDALE] are detained on official business.

If present and voting, the Senator from New York [Mr. JAVITS] would vote "yea."

On this vote the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Connecticut [Mr. BUSH]. If present and voting, the Senator from Nebraska would vote "nay," and the Senator from Connecticut would vote "yea."

The Senator from Kansas [Mr. SCHOEPPEL] is detained on official business. If present and voting the Senator from Kansas would vote "yea."

The result was announced—yeas 45, nays 25, as follows:

[No. 172]

YEAS—45

Allott	Hill	Morse
Butler	Jackson	Moss
Capehart	Johnson, Tex.	Muskie
Case, N. J.	Johnston, S.C.	Pastore
Church	Keating	Proxmire
Clark	Kefauver	Randolph
Dodd	Kuchel	Scott
Douglas	Long, Hawaii	Smathers
Engle	McCarthy	Smith
Fong	McClellan	Symington
Gore	McGee	Thurmond
Gruening	McNamara	Wiley
Hart	Magnuson	Williams, N.J.
Hartke	Mansfield	Yarborough
Hennings	Monroney	Young, Ohio

NAYS—25

Aiken	Ervin	Martin
Bennett	Frear	Morton
Carlson	Fulbright	Mundt
Case, S. Dak.	Goldwater	Prouty
Cooper	Hayden	Russell
Curtis	Hickenlooper	Stennis
Dirksen	Holland	Williams, Del.
Dworshak	Lausche	
Eastland	Lusk	

NOT VOTING—30

Anderson	Carroll	Kerr
Bartlett	Chavez	Long, La.
Beall	Cotton	Murray
Bible	Ellender	O'Mahoney
Bridges	Green	Robertson
Brunsdale	Hruska	Saltonstall
Bush	Humphrey	Schoeppel
Byrd, Va.	Javits	Sparkman
Byrd, W. Va.	Jordan	Talmadge
Cannon	Kennedy	Young, N. Dak.

So Mr. DOUGLAS' amendment to the committee amendment was agreed to.

Mr. DOUGLAS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

Mr. FULBRIGHT. Mr. President, may I say something on the question of reconsideration? Is there to be no debate at all?

Mr. JOHNSON of Texas. Mr. President, I withhold my motion.

Mr. FULBRIGHT. I only wish to say a word or two.

The Senate has now taken what I consider to be very irresponsible action. I do not wish to be responsible for what I am sure will flow from this kind of action. This amendment was not submitted to the committee. It was given no consideration. It now intervenes into one of the most delicate and explosive situations existing in the world. I only want to warn the Senate that the reaction from this is bound to be immediate and very serious. I think those who voted for the amendment must take the full responsibility for the consequences.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas [Mr. JOHNSON], to lay on the table the motion of the Senator from Illinois [Mr. DOUGLAS] to reconsider the vote by which the Douglas amendment was agreed to.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The motion to lay on the table is not debatable.

Mr. DIRKSEN. Mr. President, the motion to lay on the table was withheld.

Mr. JOHNSON of Texas. Mr. President, I will withhold the motion, if Senators desire to discuss it further; but if they do not care to do so, I move to lay on the table——

Mr. LAUSCHE. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I withhold the motion, and I ask unanimous consent that the Senator from Ohio be given 1 minute.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LAUSCHE. Mr. President, it is my opinion that the Senate has taken an action which will cause grief to most of us before a month has passed. We have dealt with a delicate situation.

In my opinion, the easy course to follow with regard to this amendment was to vote for it. The hard course, but the proper course, was to vote against it.

The amendment was not offered in committee. It deals with the most delicate problem confronting our Government. From my standpoint, I wanted with all my might to vote in favor of it, but could not do so.

Mr. DOUGLAS. Mr. President, will the Senator from Ohio yield?

Mr. CASE of South Dakota. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Illinois may have 1 minute.

The PRESIDING OFFICER. There is no time limit.

Mr. DOUGLAS. Mr. President, the Senator from Arkansas and the Senator from Ohio have made a great point about the fact that the amendment was not submitted to the committee. But they know perfectly well that it was in the House draft, supported by the House Foreign Affairs Committee by an overwhelming vote, and passed by the House. To say that it was not before the committee is somewhat strange.

Mr. JOHNSON of Texas. Mr. President, I move to lay on the table the motion——

Mr. CASE of South Dakota. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I withhold the motion to lay on the table, and ask that the Senator from South Dakota be heard for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from South Dakota is recognized for 1 minute.

Mr. CASE of South Dakota. Mr. President, I think the Senator from Ohio has stated the situation fairly. This is a most delicate and difficult area for the Senate to enter, with as limited debate as there was here this afternoon. I happen to have been in both Israel and Jordan in December, at the time a certain ship was being held up, and I know something about the tension which exists there on this issue.

I think it is wholly unwise for the Senate to enter into this field unless we have a full dress hearing and some debate, with the best advice we can get from those who are conversant with the situation and those who will have to deal with it.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent to be allowed to proceed for one additional minute.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSON of Texas. I have no objection. I believe that every Senator has had an opportunity to express himself on the amendment. Senators seem to be reiterating their views and lecturing other Senators who voted on the opposite side. I believe that any Senator has the right to vote against the motion to lay on the table if he so desires, and I am prepared to make that motion.

Mr. DIRKSEN. Mr. President——

Mr. JOHNSON of Texas. If the Senator from Illinois desires to be heard for 1 minute, I shall be glad to have him given that opportunity, and then I shall make the motion to table.

Mr. CASE of South Dakota. Mr. President, I ask for an additional minute.

Mr. JOHNSON of Texas. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, the Senator from South Dakota is recognized for an additional minute.

Mr. CASE of South Dakota. Mr. President, I hope every Senator will vote

against the motion to table, and will vote against disposing of the question in such a summary way.

It is true that Senators might have spoken earlier during the day, but there was a 15-minute limitation on the question. Some of us probably did not believe that the amendment would prevail. On sober second thought, I believe the Senate ought not to write this provision into the bill.

Mr. JOHNSON of Texas. Mr. President, I thank the Senator for his opinion.

Mr. President, I ask unanimous consent that the Senator from Illinois [Mr. DIRKSEN] be recognized for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, this afternoon we contrived an understanding to consider all amendments tomorrow without a vote, and then allow 5 minutes on a side on all amendments when we vote on Monday.

I believe that the prudent thing to do would be to reject the motion to lay on the table, and reconsider this amendment on Monday. That would give us an opportunity to sleep on it over the weekend. I think that would be a very desirable course. So when the motion is made to lay on the table the motion to reconsider, I respectfully suggest that the Senate reject the motion to lay on the table. That would leave the amendment in status quo until Monday, and we could vote on it when we vote on other amendments.

Mr. FULBRIGHT. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I have agreed to yield briefly to the Senator from Arkansas. I ask unanimous consent that he be allowed 1 minute.

The PRESIDING OFFICER. Without objection, the Senator from Arkansas is recognized for 1 minute.

Mr. FULBRIGHT. Mr. President, I shall not argue the merits. I hope the Senate will follow the course suggested by the minority leader.

However, I wish to clarify the RECORD in this respect with regard to committee action. We reported the bill on April 22. The bill from the House was not received until April 25, and was never referred to the committee. We had already reported our own bill before the House bill arrived. The House bill is still on the calendar. I presume it is at the desk.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. We had reported our bill before the bill was passed in the House.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. DOUGLAS. Did not the Senator know that the House Committee on Foreign Affairs had reported a bill?

Mr. FULBRIGHT. We were aware that it had been reported. We could not believe that the House or the Senate would take this proposal seriously. It is obviously designed for local political advantage in this country. I was amazed that the Senate took it seriously. I do not believe I would have consented to the limitation of time had I thought the proposal would be considered seriously. In my opinion, this is very irregular procedure.

Mr. KEATING. Mr. President, will the Senator yield to me for 1 minute?

Mr. AIKEN. Mr. President——

Mr. JOHNSON of Texas. I yield 1 minute to the Senator from Vermont.

Mr. AIKEN. Mr. President, at a time when the whole world is seeking the way to peace, and is making some progress, I fear that the action the Senate has just taken, if it stands, will create a very serious international crisis, much more severe than any we have had for several years.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to yield to the Senator from New York [Mr. KEATING] for 1 minute.

The PRESIDING OFFICER. Without objection, the Senator from New York is recognized for 1 minute.

Mr. KEATING. Mr. President, there is apparently a concerned effort to undo what we have just done. I hope Senators who supported the amendment will not be a party to it, and will vote for the motion to lay on the table the motion to reconsider. There is no reason why we should put this question over until tomorrow, in order that members of the State Department, or others who are opposed to this amendment, may have time to turn on the heat.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. KEATING. We have considered this question seriously. The amendment is only a sense-of-Congress amendment. It has been approved in the other body, and there are responsible Members in the other body, no matter what we may say from time to time. They knew what they were doing. The amendment has been considered by the House Committee on Foreign Affairs, and there is no reason on earth why we should reconsider the action we have taken.

Mr. JOHNSON of Texas. Mr. President, I believe that this procedure is a reflection on the judgment of Members of the Senate. I do not believe that a single Senator is going to be misled or will change his convictions as a result of what is happening. I do not believe Senators would change their position if the amendment were to go over until Monday. I see no reason for attempting to get a pressure operation going. Therefore I move to lay on the table the motion of the Senator from Illinois [Mr. DOUGLAS] to reconsider the vote by which the amendment was agreed to.

Mr. FULBRIGHT. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas [Mr. JOHNSON] to lay on the table the motion of the Senator from Illinois [Mr. DOUGLAS] to reconsider the vote by which the Douglas amendment was agreed to.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll, and Mr. AIKEN answered in the negative when his name was called.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. Mr. President, the first Senator has answered the rollcall.

Mr. DOUGLAS. Mr. President, do I correctly understand that the question is on the motion to table the motion to reconsider?

The PRESIDING OFFICER. The Chair so stated.

The clerk will resume the calling of the roll.

The rollcall was resumed and concluded.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. BARTLETT], the Senator from Virginia [Mr. BYRD], the Senator from West Virginia [Mr. BYRD], the Senators from Nevada [Mr. BIBLE and Mr. CANNON], the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], the Senator from North Carolina [Mr. JORDAN], the Senator from Oklahoma [Mr. KERR], the Senator from Montana [Mr. MURRAY], and the Senator from Virginia [Mr. ROBERTSON], are absent on official business.

I further announce that the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Alabama [Mr. SPARKMAN], are necessarily absent.

On this vote, the Senator from Louisiana [Mr. ELLENDER] is paired with the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from Louisiana would vote "nay" and the Senator from Missouri would vote "yea."

On this vote, the Senator from Minnesota [Mr. HUMPHREY] is paired with the Senator from North Carolina [Mr. JORDAN]. If present and voting, the Senator from Minnesota would vote "yea" and the Senator from North Carolina would vote "nay."

On this vote, the Senator from Massachusetts [Mr. KENNEDY], is paired with the Senator from Virginia [Mr. ROBERTSON]. If present and voting, the Senator from Massachusetts would vote "yea" and the Senator from Virginia would vote "nay."

I further announce that, if present and voting the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Alaska [Mr. BARTLETT], the Senators from Nevada [Mr. BIBLE and Mr. CANNON], the Senator from West Virginia [Mr. BYRD], the Senator from Colorado [Mr. CARROLL], the Senator from Rhode Island [Mr. GREEN], the Senator from Oklahoma [Mr. KERR], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Alabama [Mr. SPARKMAN] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BEALL],

the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Connecticut [Mr. BUSH] are necessarily absent.

The Senator from New York [Mr. JAVITS] is absent by leave of the Senate to attend as Chairman of the Economic Committee a meeting of the NATO Parliamentarians Conference at Strasbourg, France.

The Senator from New Hampshire [Mr. COTTON] and the Senator from Nebraska [Mr. HRUSKA] are absent on official business as members of the Board of Visitors of the U.S. Military Academy.

The Senators from North Dakota [Mr. YOUNG and Mr. BRUNSDALE], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Kentucky [Mr. COOPER], and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

If present and voting, the Senator from Kansas [Mr. SCHOEPPEL] and the Senator from New York [Mr. JAVITS] would each vote "yea."

On this vote the Senator from Connecticut [Mr. BUSH] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Connecticut would vote "yea," and the Senator from Nebraska would vote "nay."

The result was announced—yeas 40, nays 29, as follows:

[No. 173]

YEAS—40

Butler	Jackson	Moss
Capehart	Johnson, Tex.	Muskie
Case, N.J.	Johnston, S.C.	Pastore
Church	Keating	Proxmire
Clark	Kefauver	Randolph
Dodd	Kuchel	Scott
Douglas	Long, Hawaii	Smathers
Engle	McCarthy	Smith
Gore	McGee	Thurmond
Gruening	McNamara	Williams, N.J.
Hart	Magnuson	Yarborough
Hartke	Mansfield	Young, Ohio
Hennings	Monroney	
Hill	Morse	

NAYS—29

Aiken	Fong	Martin
Allott	Frear	Morton
Bennett	Fulbright	Mundt
Carlson	Goldwater	Prouty
Case, S. Dak.	Hickenlooper	Russell
Curtis	Holland	Saltonstall
Dirksen	Lausche	Stennis
Dworshak	Long, La.	Talmadge
Eastland	Lusk	Williams, Del.
Ervin	McClellan	

NOT VOTING—31

Anderson	Chavez	Kerr
Bartlett	Cooper	Murray
Beall	Cotton	O'Mahoney
Bible	Ellender	Robertson
Bridges	Green	Schoeppel
Brunsdale	Hayden	Sparkman
Bush	Hruska	Symington
Byrd, Va.	Humphrey	Wiley
Byrd, W. Va.	Javits	Young, N. Dak.
Cannon	Jordan	
Carroll	Kennedy	

So the motion to table the motion to reconsider was agreed to.

The PRESIDING OFFICER. The committee amendment is open to further amendment.

Mr. CHURCH. Mr. President, I call up my amendment identified as "3-28-60—I."

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 1, after line 6, insert the following:

SEC. 101. Section 103(a) of the Mutual Security Act of 1954, as amended, which relates to authorizations for military assistance, is amended by striking out "1960" and inserting "1961"; by striking out "$1,400,000,000" and inserting "$1,800,000,000" and by striking out the last sentence.

The PRESIDING OFFICER. The time limitation on this amendment is 45 minutes on each side. How much time does the Senator from Idaho yield to himself?

Mr. CHURCH. I yield myself as much time as I may require.

The PRESIDING OFFICER. The Senator from Idaho is recognized for such time as he desires, up to 45 minutes.

Mr. CHURCH. Mr. President, this amendment authorizes a military assistance program of $1,800 million for the coming year. This is a 10 percent reduction in the amount requested by the administration, but the effect of the amendment, if adopted, would be merely that of holding the military assistance program to the current levels of spending. For some time, we have been spending approximately $1,800 million a year in military assistance. The administration seeks to expand the level of spending to approximately $2 billion a year.

I may say at the outset that I offer the amendment, not as one who is opposed to the foreign aid program, but as one who has supported it. The mutual security program is not popular in the State of Idaho. I may be the first elected representative from my State ever to vote for foreign aid. I have done so because I have a strong conviction that foreign aid, however distasteful it may be to the voters, is nonetheless necessary in the interests of promoting peace and freedom in the world.

But even as I have supported the program, I have sought, as have many other Members of the Senate, including the members of the Committee on Foreign Relations, to improve and perfect the program. There are few Senators who are satisfied with it. The chairman of the Committee on Foreign Relations himself has referred to it as "warmed-over grits." I must say that the committee this year did very little to change or perfect or reform the program. It is the same stale package.

Military assistance is certainly a case in point. Last year it was fashionable to criticize the emphasis on military aid in the foreign aid program. Indeed, so great was the criticism, not only by Members of the Senate, but by other observers elsewhere in public life, as well, that when the spokesmen for the State Department came before the committee last year, they took pains to assure us that the trend from year to year in foreign aid was to reduce military assistance. They said they approved of the trend. They indicated that they felt the trend should continue, and would continue in their planning. I think we were reassured by those statements, so much so that last year the Senate adopted a carte blanche authorization for military assistance for the next 3 years. I opposed that move because it seemed to me, that whenever you make a given piece of furniture a permanent fixture in the house of government, there is no better way to do it than by voting a carte blanche authorization.

No sooner did we do this, than the administration came forward this year, at its first opportunity, and rather than proposing a reduced program of military assistance, it proposed to expand that program above the current levels of spending. Instead of coming to Congress with a package in which about 40 percent was dedicated to military assistance, they reversed the trend which they had applauded last year in their presentations before the committee, and presented to us a package in which military assistance is almost 50 percent of the total program. The amount of the administration's requests this year for military assistance is $400 million more than was requested last year. It is $600 million more than Congress authorized last year. It is $700 mililon more than was actually appropriated by Congress for military assistance last year. Moreover, the $2 billion the administration seeks is $650 million more than the average amount appropriated for military assistance by Congress during the preceding 6 years, from 1955 through 1960.

To put is still another way, if we take the amount that the administration asks, which is contained with the provisions of the bill before the Senate, and if we add to it the $2 billion the administration seeks for military assistance, and the $700 million the administration seeks for the Development Loan Fund, we reach a grand total of $4,175 million. This is an increase of almost $1 billion above the program approved by Congress last year.

If we look at the $1 billion proposed increase, we find that 75 percent of it relates to the proposal for an expanded military assistance program.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. CHURCH. I am glad to yield.

Mr. LONG of Louisiana. Is it not true that a great proportion of the expanded military expenditure is proposed to be used in Europe, where those nations are already holding the better part of $10 billion of American funds, which could be used to pay for anything those countries would like to purchase for their defense?

Mr. CHURCH. It is true that more money is planned for Western Europe next year, and I shall discuss that point in the course of my remarks.

Mr. President, I have offered this amendment because I do not think so large an increase in military assistance is justified. I submit that the State Department has failed to make a case for it. When their respresentatives were questioned in the committee, they said they were seeking $2 billion because there was a depletion in the pipeline; because more money was being taken out of the military assistance pipeline each year than Congress had been putting in. Therefore, they felt it necessary for Congress to approve the full $2 billion this year, so that the depletion in the pipeline would not continue.

That proposition sounds logical enough; but if we examine the facts, we will find that there is still more than $2 billion—to be more exact, more than $2,500 million—in the pipeline. It is not

necessary to put $2 billion into the pipeline this year in order to prevent further depletion.

The current level of spending is $1,800 million. All we have to do is to put into the pipeline each year as much as we take out. All that is necessary is to put in $1,800 million, if the military assistance program is to be maintained at its present level. To put in $2 billion would be to increase the program. When the representatives of the State Department were questioned closely on this point, they conceded that the purpose was, in fact, to increase further the general level of spending for military assistance abroad by approximately $200 million a year. I submit that there is no need to increase the military assistance program above present levels.

Do we realize that we are at present extending military assistance to 39 countries—to almost half the countries of the world?

In only one region—in Latin America—is this program slowly being diminished. This is because, with respect to Latin America, Congress took a stand. Last year Congress wrote into the mutual security program a limitation of military spending in South America. As a result of that limitation, the State Department now expresses its approval.

The Department now concedes that the program of military assistance in South America was probably a mistaken one; and the Department pledges that this program will be diminished from year to year. But I submit that if the Congress had not imposed the ceiling, we would now be asked by the administration to expend even greater amounts in Latin America, even as we are being asked to expend, each year, greater amounts in other regions of the world.

What about the other regions, Mr. President? Why, for example, do we need to spend nearly $100 million more for military assistance in Western Europe? That is the plan of the administration. In 1960, the expenditures for military assistance in Western Europe, under this program, amounted to $364 million. In the coming year, the administration proposes to spend, for the same purpose, in Western Europe, $459 million—or an increase of nearly 25 percent. Does any Senator believe that France or Belgium or the Netherlands or the United Kingdom is unable to contribute its full share to its own defense?

Mr. President, if any Senator believes it, assuredly the administration does not, because this year the administration has said these very countries should do more, that the level of prosperity in Europe is such that these countries should do more to assist us in a common effort to furnish greater amounts of capital to the underdeveloped countries of the world. So, on the one hand, the administration proclaims that these countries should do more, owing to their own economic prosperity, which we ourselves helped to stimulate, through the Marshall plan, and should assist us in providing more capital with which to help the underdeveloped countries of the world. But, on the other hand, the administration proposes that we give these same Western European countries approximately $100 million more of our own money than we gave them last year for their own military establishments.

So, Mr. President, we have here a case in which the left hand does not seem to know what the right hand is doing. It is but another flagrant example of moving at once in opposite directions.

Listen as I read what I must describe as the muddled argument by Mr. Foy Kohler, Assistant Secretary of State for European Affairs, who sought to justify the request for additional military assistance to Europe. He made this statement before the Foreign Relations Committee:

> The mutual security program for Europe in the fiscal year 1961 is almost entirely military. Military assistance proposed for European "country programs" totals $459 million. A good deal of this is made up of items involving cost-sharing projects designed to induce increased and more effective country contributions to the NATO defense effort and to provide an incentive for greater country efforts toward essential modernization of NATO-committed forces. * * * Our contributions are designed to maintain a level of defensive strength which is much greater than could be expected from Europe's efforts alone.

Mr. President, how could that be true? Any Senator who has visited Western Europe in the last year or two has seen with his own eyes the remarkable economic recovery that has occurred there. Western Europe is bustling. Its industrial activity is greater than it has ever before enjoyed. Can it really be true that these countries cannot afford to contribute their full share to their own defense? Mr. President, the figures do not bear out such an assertion. From 1948 to 1958, the gross national product of these western European nations—the very nations which are receiving American military aid—increased by 148 percent; and that increase occurred during a period when the economy of the United States increased its gross national product by only 72 percent. So Europe is well able to pay its own share of the cost of its own defense, without receiving increased military aid from us.

But Assistant Secretary of State Kohler continued as follows his statement before the Senate Committee on Foreign Relations:

> Our European allies would be able to pay their own defense costs—provided we and they were willing to accept a substantially lower level of total defensive power.

Mr. President, do the facts bear out that statement? These European countries could easily maintain their own forces at the desired strength without receiving any assistanct from the United States, let alone increased assistance, if they had to do it for themselves. We give them the easy way out, Mr. President, by continuing to supply them with large amounts of military aid. So long as we are willing to send a half a billion dollars, annually, to Western Europe, those countries will accept it; it is a good, sensible politics for them to accept it. So long as we persist in sending nearly half a billion dollars, annually, to Western Europe, we can be sure that those countries will not be induced to spend larger amounts of their own funds in their own defense. Instead, they will tend to spend smaller amounts of their own money. And, again, the figures bear that out.

In the 11 years from 1949 through 1959, the gross national product of the European members of NATO has more than doubled; it has increased from $105 billion, in 1949, to $243 billion, in 1959. As these countries have grown richer, they have been spending relatively less for their own defense. The percentage of their gross national product which they spent for their own defense from 1949 through 1954 was, on the average, 6.1. But as they have grown richer, during the period from 1955 to 1959, they have spent only 5.7 of their gross national product for their own defense. So, Mr. President, as their wealth has increased, the effort they have been making has diminished. The 5.7 percent of their gross national product which they contributed to their military forces in the years from 1955 to 1959 compares to the 10 percent of its gross national product that the United States has devoted to its military forces during the same period. These figures are based upon the percentages of their gross national products which the respective countries have spent for that purpose.

So, Mr. President, these countries of Western Europe are not making the same effort that the United States is making. These countries are making a relatively smaller effort, as their productivity and the level of their prosperity increase. Yet, in the face of this situation, we in the Congress are being asked to increase the U.S. contribution by more than $100 million in the coming year.

I say, Mr. President, that the case does not bear out the assertions of the administration, and we ought not to approve increased military assistance in this area; but, rather, we should reverse our tactics and make clear to these countries that we expect them to contribute their full part. And the best way we can achieve that purpose is to declare to them, here and now, that we are going to progressively reduce our contribution and expect them to take up the slack.

That is the way we will make progress. It is demonstrated on the record of the last 10 years that we do not make progress in this direction by increasing the amount of the American dole. So I think it wrong, and unnecessary, and unjustified on the record, that we should increase our military assistance program in Western Europe by more than $100 million in the coming year.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. LONG of Louisiana. Was not the giving of a lot of the billions of dollars in military aid that we gave Western Europe based on the theory that those countries would be able to make a more substantial contribution as their prosperity increased?

Mr. CHURCH. That is correct; and they have not. We are being met with the same old shopworn argument with-

out the data and backing for it. I have presented the data in the hope they will disprove the assertions that are made to justify the increased amount of military aid to Europe.

Mr. LONG of Louisiana. In the early days of the Marshall plan and military aid, if a question was raised as to why we should give the countries all the money advanced to them and why it could not be loaned, the answer was made that these people cannot pay us back and will never be able to. Now we find our country in the position of trying to protect its gold holdings, because the countries abroad have almost enough credits against us to empty the vaults at Fort Knox, the way matters stand.

Mr. CHURCH. Mr. President, so much for Europe. What about the other regions in the world? What about Africa? What about this restive continent that is only now beginning to awaken from its ancient slumbers? It is just now beginning to awaken, but we are already there. We are already standing by the couch administering our military nostrums. We are already dispensing weapons in Africa. To be sure, the program is not large in Africa yet, but the administration proposes to increase it 50 percent next year over what it was this year.

I cannot conceive of a continent that needs an arms race less than does Africa; but I venture to predict, on the floor of the Senate tonight, that unless the Congress imposes a ceiling in Africa, as we did impose a ceiling in Latin America, we shall see this program grow from year to year even as we have seen it grow elsewhere in the world.

What about Asia and the Near East? In 1960 we programed $255 million for military assistance in south Asia and the Near East. What does the administration request this year? $458 million—an increase of $203 million in this part of the world, which nearly doubles the size of the program there.

I suggest, Mr. President, that nowhere in the world is military aid more dubious, nowhere is the case for military aid more vulnerable to grave and searching question, than in south Asia and the Near East.

We have been pouring lavish amounts of money into countries like Pakistan and Iran. We have been maintaining Armed Forces in those countries that are many times larger than necessary to maintain internal order; and yet these very forces would be of little consequence, by our own admission, against Russian attack. Indeed, it is not even seriously contended, Mr. President, that these military machines restrain Russian aggression.

It is conceded, quite openly, that it is our deterrent power which deters Russian aggression in this area; and, if not our deterrent power, then it is the realization of the Russians themselves that military adventure here would profit them very little, for it would undermine their position and the position of communism everywhere else in the world.

So we sustain in countries like Iran and in Paskistan useless and excessive military forces, in spite of the fact that they are neither useful as a deterrent against Russian aggression, nor are they needed to maintain internal order.

This is a mischievous policy. It is mischievous because these military machines have a capability only of fighting one another. It is mischievous in Pakistan, because there we have stimulated an arms race between Pakistan and India; and those who have visited Pakistan have come back and told the Senate, and have told me personally, that in Pakistan it is generally felt that the armed forces there are meant to defend Pakistan against India. Those who have visited India have likewise said that the Indian Government has complained that it must appropriate larger amounts of money than it can afford to the maintenance of big military forces in India, because they fear the threat of Pakistan.

So I suggest to you, Mr. President, that in this large region of the world it is difficult to justify what we are already spending, let alone the request of the administration to double the size of the program in this region.

Lest it be said that I am merely making a personal indictment that is unfounded or unshared by other observers, I would refer the Senate to the Comptroller General's report to the Congress, "Review of the Military Assistance Program to Pakistan." I am sorry that I cannot detail it on the floor, because it is classified. Like so many documents which relate to the actual substance of the foreign aid program, it is classified and thus beyond the reach of this debate.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. CLARK. In the judgment of the Senator, who is a very able member of the Foreign Relations Committee, should this report and many others be classified?

Mr. CHURCH. I think not. I think the practice of classification has not only exceeded its proper bounds, but has resulted in putting blinders on the Congress and the American people. We cannot assess, we cannot refine, we cannot perfect this program unless we know the facts; and we cannot engage here in an intelligent and mature debate on the program without full use of the facts. Yet classified information prevents us from debating the program as it should be debated and from exposing it to all the American people for what it is.

But let me read from an unclassified document, from the Conlon report on Asia, prepared as a special study for the Senate Foreign Relations Committee.

In this study with reference to the situation in Pakistan the Conlon report contains the following observations:

> It may be questioned, however, whether it is sound policy for the United States to encourage Pakistan to maintain its military establishment at present high levels, levels that may involve outlays of as much as two-thirds of Pakistan's own budget annually, in addition to foreign contributions. Pakistan, if not her associates in arms, has assumed in the past that the building of her military strength was inherently a counterpoise in strength for bargaining with India and against possible encroachments on Pakistan by India. The fear of such encroachments upon Pakistan is not to be underestimated, nor should India's fears of Pakistani aggressive action be overlooked. For Pakistan, India holds the favored position militarily and geographically on every major issue in dispute between the two parties. Without a substantial military arm, Pakistan argues, India will not be moved by arguments of logic or of history on cases such as those of Kashmir. Thus it appears to have been a considered policy in Pakistan to construct an armed force that would back up in terms of power what Pakistan felt was her right in international affairs, especially as regards India.
>
> At this time, however, with signs of betterment of Indo-Pakistani relations appearing and with a sizable armed force now developed in Pakistan, it would be advantageous to cut down on the budgetary priority given to the military establishment, as financed from internal and from external sources, and to devote more concentrated attention to the basic economic problems of the country. When a favorable time arises, an attempt should be made to effect mutual defense and partial disarmament agreements between India and Pakistan to release energies for more constructive activities in both countries.

Mr. President, we have contributed to an arms race which profits neither side, and which certainly ought not to be an objective of proper American foreign policy.

The same questions can be raised about Iran that I have attempted to detail with reference to Pakistan. These questions certainly provoke the most serious doubts about the propriety of continuing our military assistance program in this area at the present levels, let alone increasing that program by over $200 million in the coming year.

I cannot pass from a discussion of the foreign-aid program in this part of the world without observing that the extent of our error is not measured by the amount of money we have poured into the military establishments of countries like Pakistan and Iran. We have fostered the development of forces so large in these countries that they are beyond the capacity of the impoverished economies of these lands to sustain them, and so to support the investment of American moneys in the armies, we have to add additional millions of dollars of American money to support the overburdened economies.

This completes the circle. It makes a perfect zero.

So, Mr. President, I urge this amendment upon the Senate, knowing it is a moderate amendment. It will effect no cut in the military-aid program. If agreed to, it will establish the authorized program for military aid abroad at the current level of expenditure, which is $400 million above what Congress authorized last year, $500 million above what Congress appropriated last year, and $450 million above the average amount which we have appropriated for military assistance during the past 6 years. If the amendment is agreed to, it will leave the authorized program with abundant funds for military assistance. Let there be no doubt on this score.

Indeed, Mr. President, the level of $1.8 billion would permit large increases in

expenditures in areas where the money is really needed. I cannot urge this amendment upon the Senate without making it clear that I believe there are places in the world where we need to give military assistance. Those are the places where the nature of the Communist threat takes on a military character. In places like Korea, Taiwan, and Vietnam we need the military assistance program. These countries do face a military threat, and they cannot maintain adequate defense forces with their own meager resources.

For those who may not agree with me with respect to Western Europe, let me point out we could increase the program $100 million, as the administration requests, even in Western Europe, and still have plenty of funds to do so, within the limits of the present level of the expenditures.

The effect of my amendment will be to impose some degree of restraint upon this expanding military aid program all around the world. Unless the Congress stands up and asserts itself, this program, which is as subject to "Parkinson's law" as any other program, is going to get bigger and bigger with every passing year. Only in South America, where the Congress has imposed a ceiling, is the program no larger this year than last. The administration now agrees it is advisable in our interests to progressively reduce the size of the program in South America.

I say to you Senators, let us agree to this amendment. Let us say clearly that we believe the total military assistance program in the world ought not to be expanded above the ample level of current expenditures. That, Mr. President, will be a beginning. If we will do only that, then we can be sure the administrators of the program will begin to attempt more prudently to concentrate the funds at their disposal in the areas where the military assistance program is really needed, and will begin to cut down in those areas where the program is highly questionable, or where it can be demonstrated it has been hurtful to the interests of the United States in fostering peace and freedom in the world.

This is the way to start. This is a moderate amendment. It will leave more than ample funds available for military assistance. It does not go so far as it should, for I have hoped to win sufficient votes to pass the amendment, by asking only that we hold the line at present levels, by asking only that the Congress say, "Thus far, but no farther."

I think the facts which have been presented by the administration fail to justify the attempt to increase this program above present levels, and I urge upon the Senate favorable consideration of the amendment I have offered.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. GRUENING. I should like to commend the distinguished Senator from Idaho for his very comprehensive, very convincing, and very enlightening presentation of one aspect of the program which needs, at least, as he points out, to be held in status quo.

The Senator has well said that the amendment is very moderate. It will be interesting to see whether the forces which wish to make this program larger and larger, without adequate control and accounting, are willing to say, "Thus far and no farther."

I hope very much the Senate will adopt this amendment.

Mr. CHURCH. I thank the Senator from Alaska very much.

Mr. President, I yield the floor.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the Senator from Arkansas [Mr. FULBRIGHT].

The PRESIDING OFFICER. Without objection, the Senator from Arkansas is recognized for 5 minutes.

Mr. FULBRIGHT. Mr. President, this amendment was considered at length and thoroughly by the committee, and rejected. The argument for a cut in the military assistance is better applied when the appropriation bill comes before the Senate.

What the amendment amounts to is simply a reversal of the action which was taken by the Congress last year in authorizing, for a 2-year period, appropriations for military assistance. The issue, then, really is whether we are to undo that action and go back to a system of annual appropriations or not.

There will be full opportunity for the Senator from Idaho to offer his amendment to cut the appropriation by $200 million or $500 million, or any amount he wishes, and that proposal will be considered by the Senate and the House.

Personally, I have no particular concern about that particular aspect of the question. I merely think it is rather ridiculous to authorize a 2-year appropriation last year, and to come in this year and undo what we did in connection with the authorization. If we accept this amendment, we shall be adding $1,800 million to the present authorization in the bill. I do not think this is the orderly way to achieve the Senator's purpose.

Mr. CHURCH. Mr. President, will the Senator yeild?

Mr. FULBRIGHT. I yield.

Mr. CHURCH. I ask my good friend, the chairman of the Foreign Relations Committee, if it is not true that we have already taken action in this bill to impose a limitation upon the extent of the military assistance program in Latin America. Is not this in conflict with the carte blanche authorization which we approved last year, every bit as much as is the amendment I now propose?

Mr. FULBRIGHT. I do not quite understand the Senator's point.

Mr. CHURCH. If I may restate it, the purpose of this amendment is to place a limitation upon the authorized military assistance program for the coming year, at the level of $1,800 million.

Mr. FULBRIGHT. That is correct. However, that is not all it would do.

Mr. CHURCH. If I may add, the effect of my amendment would be to impose a limitation on the authorized military assistance program of $1,800 million for the coming year.

Mr. FULBRIGHT. And to nullify the action taken last year authorizing a 2-year program.

Mr. CHURCH. It is necessary, in order to impose a ceiling on the authorization this year, to nullify the action taken last year. But I say that this is no more inconsistent than the action the committee itself has taken in imposing a $55 million limitation on the military assistance program in Latin America.

Mr. FULBRIGHT. Last year we gave special attention to Latin America. There was no question about the concern of the committee with regard to military assistance in Latin America.

This year we made a token cut of $2 million, from $57 million to $55 million, to express the sentiment of the committee that, with regard to Latin America, there should be a decrease in the military assistance, but not in economic aid, or in other branches of assistance.

We also excepted approximately $10 million for training. The provision we put in last year was not effective, as the Senator knows, because it did not cover the sales for cash or for credit. It was not operative, and we were trying to correct that situation by putting in a limitation of $55 million.

I do not maintain that the Senate does not have authority to do what is proposed, or that it cannot undo what it did last year. I see no particular point in doing so. I am not particularly concerned about this question. I do not think it is a major matter. I think this amendment is not nearly as important as the other amendments. I merely think it is rather an inept way to proceed to achieve the Senator's own purposes.

The Senator will have full opportunity, as I have already said, when the appropriation bill comes before the Senate. I do not know what the Appropriations Committee will recommend. The administration has requested $200 million. I would almost bet that the Appropriations Committee will not allow the full amount which the administration requests. It never does. I would almost bet a small sum that when the appropriations bill comes from the Appropriations Committee it will be under the $1,800 million, so I am not very much concerned about that feature. If the Senator wishes to insist upon his amendment, and the Senate wishes to do so, it can undo what was done last year in authorizing a 2-year appropriation.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. FULBRIGHT. Mr. President, I am not going to fight, bleed, and die over this issue. I do not believe that the amendment is appropriate. It is a rather irrelevant way to get at the problem. At the proper time, when the appropriation bill comes before the Senate, the Senator can move to reduce the amount $200 million or $500 million.

Mr. DODD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Connecticut wish time?

Mr. DODD. Will the Senator from Texas yield me 3 minutes?

Mr. JOHNSON of Texas. I yield 3 minutes to the Senator from Connecticut.

Mr. DODD. Mr. President, the amendment we are discussing vitally affects the amendment we adopted last year, which I had the privilege of offering to the Senate, and which the Senate adopted, as I recall, by a vote of 56 to 38.

I think the chairman of the Foreign Relations Committee hit the nail on the head when he pointed out what the amendment of the Senator from Idaho, whom I admire very much, would do. What is proposed is to put military assistance back into the foreign aid program, and this amendment would increase the amount of money under this foreign aid bill by $1,800 million.

It may be that everything the Senator from Idaho has said about the military program is correct, but my point is that this is not the hour or the place to argue the question. Under the bill passed last year, the military assistance program will come before the Appropriations Committee as a part of the defense budget. There it will receive full consideration. That is where it should be. That is what we decided last year, when we determined that military assistance should be placed under the defense budget.

I do not doubt that my friend has his facts right. He may find me on his side when this question comes before the Appropriations Committee. But let us not put the military program back in the foreign aid bill. Let us not subject ourselves again to the charge that our foreign economic aid program is just an arm of our military policy. I thought that took much of the moral strength out of our foreign aid program in the past, and that is why I offered the amendment to separate the programs last year.

I hope the Senate will stand by what it did then.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Idaho to the committee amendment.

Mr. CHURCH. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Alaska [Mr. BARTLETT], the Senators from Nevada [Mr. BIBLE and Mr. CANNON], the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from West Virginia [Mr. BYRD], the Senator from Colorado [Mr. CARROLL], the Senator from Louisiana [Mr. ELLENDER], the Senators from North Carolina [Mr. ERVIN and Mr. JORDAN], the Senator from Rhode Island [Mr. GREEN], the Senator from Oklahoma [Mr. KERR], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Utah [Mr. MOSS], the Senator from Montana [Mr. MURRAY], the Senator from Maine [Mr. MUSKIE], the Senator from Florida [Mr. SMATHERS], the Senator from Texas [Mr. YARBOROUGH], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

I further announce that the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. MORSE], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent.

I further announce that, if present and voting, the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Alaska [Mr. BARTLETT], the Senators from Nevada [Mr. BIBLE and Mr. CANNON], the Senator from Virginia [Mr. BYRD], the Senator from West Virginia [Mr. BYRD], the Senator from Montana [Mr. MURRAY], the Senator from Alabama [Mr. SPARKMAN], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Tennessee [Mr. KEFAUVER] would each vote "yea."

On this vote, the Senator from Colorado [Mr. CARROLL] is paired with the Senator from Oregon [Mr. MORSE]. If present and voting, the Senator from Colorado would vote "nay," and the Senator from Oregon would vote "yea."

On this vote, the Senator from Rhode Island [Mr. GREEN] is paired with the Senator from Wyoming [Mr. O'MAHONEY]. If present and voting, the Senator from Rhode Island would vote "nay," and the Senator from Wyoming would vote "yea."

On this vote, the Senator from Louisiana [Mr. ELLENDER] is paired with the Senator from Texas [Mr. YARBOROUGH]. If present and voting, the Senator from Louisiana would vote "yea," and the Senator from Texas would vote "nay."

On this vote, the Senator from North Carolina [Mr. ERVIN] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from North Carolina would vote "yea," and the Senator from Minnesota would vote "nay."

On this vote, the Senator from Virginia [Mr. ROBERTSON] is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from Minnesota would vote "nay."

On this vote, the Senator from North Carolina [Mr. JORDAN] is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from North Carolina would vote "yea" and the Senator from Florida would vote "nay."

On this vote, the Senator from Utah [Mr. Moss] is paired with the Senator from Ohio [Mr. YOUNG]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Ohio would vote "nay."

On this vote, the Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from Oklahoma [Mr. KERR]. If present and voting, the Senator from Massachusetts would vote "nay," and the Senator from Oklahoma would vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BEALL], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Connecticut [Mr. BUSH] are necessarily absent.

The Senator from New York [Mr. JAVITS] is absent by leave of the Senate to attend as Chairman of the Economic Committee a meeting of the NATO Parliamentarians Conference at Strasbourg, France.

The Senator from New Hampshire [Mr. COTTON] and the Senator from Nebraska [Mr. HRUSKA] are absent on official business as Members of the Board of Visitors of the U.S. Military Academy.

The Senators from North Dakota [Mr. YOUNG and Mr. BRUNSDALE], the Senator from Hawaii [Mr. FONG], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Wisconsin [Mr. WILEY], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Vermont [Mr. PROUTY] are detained on official business.

On this vote the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Hawaii [Mr. FONG]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Hawaii would vote "nay."

On this vote the Senator from Kansas [Mr. SCHOEPPEL] is paired with the Senator from Illinois [Mr. DIRKSEN]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Illinois would vote "nay."

The result was announced—yeas 27, nays 32, as follows:

[No. 174]

YEAS—27

Church	Gruening	Mansfield
Clark	Hart	Monroney
Cooper	Hill	Proxmire
Curtis	Holland	Randolph
Douglas	Jackson	Russell
Dworshak	Johnston, S.C.	Stennis
Eastland	Long, Hawaii	Talmadge
Frear	Long, La.	Thurmond
Gore	Magnuson	Williams, Del.

NAYS—32

Aiken	Goldwater	McNamara
Allot	Hartke	Martin
Bennett	Hayden	Morton
Butler	Hennings	Mundt
Capehart	Hickenlooper	Pastore
Carlson	Johnson, Tex.	Saltonstall
Case, N. J.	Keating	Scott
Case, S. Dak.	Kuchel	Smith
Dodd	Lausche	Symington
Engle	Lusk	Williams, N.J.
Fulbright	McGee	

NOT VOTING—41

Anderson	Ellender	Moss
Bartlett	Ervin	Murray
Beall	Fong	Muskie
Bible	Green	O'Mahoney
Bridges	Hruska	Prouty
Brunsdale	Humphrey	Robertson
Bush	Javits	Schoeppel
Byrd, Va.	Jordan	Smathers
Byrd, W. Va.	Kefauver	Sparkman
Cannon	Kennedy	Wiley
Carroll	Kerr	Yarborough
Chavez	McCarthy	Young, N. Dak.
Cotton	McClellan	Young, Ohio
Dirksen	Morse	

So Mr. CHURCH's amendment was rejected.

Mr. FULBRIGHT. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, if I may have the attention of the

Senate, it is not expected that there will be any more yea-and-nay votes this evening. The Senate will remain in session so long as Senators may desire to transact routine business; but there will not be any yea-and-nay votes, if the leadership can avoid them.

If it is agreeable, it is proposed to have the Senate convene at 12 o'clock noon tomorrow. Under the unanimous-consent agreement, there will be 1 hour of debate on any amendment, motion, or appeal, and 2 hours debate on the bill.

However, if a yea-and-nay vote is ordered on any amendment, motion, or appeal, it will be postponed until Monday, and at that time the proponents of any amendment, motion, or appeal will have 5 minutes, and the opponents will have 5 minutes. There will be no yea-and-nay votes tomorrow.

If the Senate is unable to finish its discussion of the bill tomorrow, and if Senators desire to call up any amendments, they may do so on Saturday. It is not expected that there will be a yea-and-nay vote on any amendment, motion, or appeal, or any other matter, on Friday. However, on Monday, debate on such amendments, motions, and appeals will be limited to 5 minutes.

Mr. SALTONSTALL. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. SALTONSTALL. The plan as narrated by the distinguished majority leader is entirely satisfactory to me, with one suggestion: That there should be no voice votes on motions to reconsider and motions to lay on the table, because if such voice votes were taken on Friday, when not many Senators were present, the situation would be——

Mr. JOHNSON of Texas. I am not taking the position that all Senators will not be present. All I say is that any Senator who wishes to be present can be present, but that if a yea-and-nay vote is requested, that vote will go over until Monday, and 5 minutes will then be allotted to each side.

Mr. SALTONSTALL. Assume a matter were acted upon tomorrow by a voice vote, not a yea-and-nay vote, and then a motion were made to reconsider, followed by a motion to lay on the table.

Mr. JOHNSON of Texas. That would be perfectly in order.

Mr. SALTONSTALL. Those matters would not be open to discussion on Monday.

Mr. JOHNSON of Texas. They would not be. The only debate which would take place on Monday would be in the event a yea-and-nay vote were asked for. That is what has been agreed to.

Mr. SALTONSTALL. If a yea-and-nay vote were ordered——

Mr. JOHNSON of Texas. Then the matter would go over until Monday. If the matter were noncontroversial, there would be no reason why it should not be acted upon tomorrow. But if a yea-and-nay vote is requested, then 100 Senators will be guided by the desires of 20 percent of the presumptive quorum, under the rule.

ORDER FOR ADJOURNMENT UNTIL NOON TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it adjourn until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

MUTUAL SECURITY ACT OF 1960

The Senate resumed the consideration of the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. LAUSCHE. Mr. President, I submit an amendment which, if adopted, would strike from the bill section 207, on page 13. Section 207 deals with housing projects in Latin American countries.

I submit a second amendment, which strikes from the bill the language beginning on page 19, line 21, through line 12, on page 20. This particular language authorizes the expenditure of money to save and preserve ancient Nubian monuments in the Nile River Valley.

I submit a third amendment, which I shall suggest for consideration in the event the second amendment is not adopted. This third amendment adds, on page 20, before the period in line 12: "and no such currencies shall be so used until the President is satisfied that expenditures representing the remainder of such cost have been or will be made by other interested nations or organizations thereof."

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table.

HEALTH FOR PEACE

Mr. WILLIAMS of New Jersey. Mr. President, 12 days ago, 14 members of the Committee on Labor and Public Welfare and the Committee on Foreign Relations joined with me in urging President Eisenhower to consider proposing at the forthcoming summit conference in Paris on May 16 an all-out joint effort for research and eradication of the major diseases and illnesses afflicting the world—a massive "health for peace" campaign by East and West under the auspices of the World Health Organization and other appropriate agencies.

I desire to say a few words about the background of this proposal, and also to pay tribute to the distinguished senior Senator from Alabama [Mr. HILL], whose devoted leadership in the field of international health has generated and inspired this idea.

Last year I was privileged, as a member of the Health Subcommittee of the Labor and Public Welfare Committee, to attend the hearings on Senate Joint Resolution 41, Senator HILL's International Health and Medical Research Act. Listening to the testimony of the most distinguished public and professional authorities in the field of health, I became profoundly impressed by the sheer enormity of the health problems that still plague the world. But I was equally struck by the tremendous opportunity that lay within our grasp to make, through health, a major contribution to a better life for mankind, and thus to the peace of our world.

Out of those hearings and study last year has grown my conviction that Senator HILL's proposal is a potent instrument for use in the cause of peace, and as the forthcoming summit conference drew nearer it seemed to me that here was an idea deserving consideration at the highest levels of the major governments as they gather in Paris next month.

Here was an opportunity to focus world attention on a great and global problem.

I desire to say also that the possibility that this proposal might be discussed at the coming summit meeting should stir much greater interest in the House for early action on Senate Joint Resolution 41, and I hope the strong, effective provisions of the resolution as originally conceived will be approved by that body.

In giving his endorsement and support to the proposal, the Senator from Alabama [Mr. HILL] wrote me that "It would be not only fitting but also obligatory" for the President to propose this international health effort of research and eradication of the major dreaded diseases in the world. This statement, from the acknowledged leader in the battle for health in the interest of peace, has reaffirmed my own conviction on the merits of proposing a joint war against sickness and disease at the summit conference.

I have also been extremely gratified and heartened by the degree of support this proposal has so far received.

The New York Times wrote editorially on April 18 that the problem of ill health is basic and worldwide and that the United States should "challenge the Soviet Union to march with the rest of the world against the ancient and common enemies of the whole human race."

I notice that President de Gaulle, during his visit here, has been urging a program of common East-West effort to aid the underdeveloped countries of the world, particularly in the field of health. In a talk before the National Press Club, President de Gaulle suggested the undertaking of a joint campaign against tuberculosis in Asia, and said:

> There must be areas in which it is possible for the powers that are well provided for, to agree today to pool a few resources in order to begin this development. I must confess that if they do this, it would certainly mean a great improvement in the atmosphere of the world and consequently in East-West relations.

Although I have not yet received from the White House any comment on the merits of the proposal, I was interested to note that in an article in the April 26 issue of the Washington Post, Murrey Marder reported that apparently President Eisenhower and President de Gaulle have agreed to seek some kind of joint effort in the field of health. Mr. Marder wrote that—

> The United States would agree, in very limited form, to try for East-West agree-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For Department Staff Only)

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For actions of April 29, 1960
86th-2d, No. 78

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HIGHLIGHTS: Senate debated mutual security authorization bill. Sen. Ellender introduced and discussed administration's bill to amend Public Law 480.

SENATE

1. MUTUAL SECURITY. Continued debate on S. 3058, the mutual security authorization bill. Various Senators discussed amendments which they intend to propose on Mon., May 2, at which time debate on amendments will be limited to 10 minutes on each amendment. pp. 8309-10, 8311, [illegible], 8317-23, 8329-37, 8339-42

2. WATERSHEDS. The Public Works Committee approved the following watershed projects: Terrapin Creek, Ala. and Ga.; East Fork Point Remove Creek, Ark.; West Fork Point Remove Creek, Ark.; Upper Verdigris, Kan.; and Beaver Creek, Ky. p. D356

3. FOOD-FOR-PEACE. Sen. Wiley commended the work of CARE as "one of the very finest of programs engaged in sending food and tool packages to the hungry overseas," and stated that "since 1946, this humanitarian organization has sent over $342 million worth of supplies overseas -- 92 percent consisting of food, a great part of which has been agricultural surplus." pp. 8308-9

4. FARM ORGANIZATION. Sen. Proxmire discussed the activities of the National Farmers Organization which "is now trying to develop the kind of bargaining power that comes from organization to control marketing -- out in the Midwest," predicted that such an organization with bargaining power may "bring the dawn of a new day to the American farm economy," and inserted a Wall Street Journal article discussing the activities of this organization. pp. 8326-7

5. SUGAR; FOREIGN AFFAIRS. Sen. Long, La., inserted several newspaper editorials discussing U. S.-Cuban relations, including support for reducing the sugar quota for Cuba. pp. 8338-9

6. DEFENSE PRODUCTION. Received from OCDM a proposed bill to extend the Defense Production Act of 1960; to Banking and Currency Committee. p. 8300

7. ADJOURNED until Mon., May 2. p. 8342

ITEMS IN APPENDIX

8. NATURAL RESOURCES. Rep. Ullman inserted an article commending the Warm Spring Indians of Oregon on carrying out a developmental study of their reservation which turned up a "virtually unknown" wilderness park area bordering the Forest Service's Jefferson Wilderness Park which is open for private recreational development. pp. A3664-5

9. FOREIGN TRADE. Sen. Fulbright inserted an article discussing the reasons for establishment, and the probable effect on world trade, of the Latin American Free Trade Association. pp. A3671-3

10. UNEMPLOYMENT COMPENSATION. Rep. Zablocki inserted the Department of Labor's reply to a recent article which had appeared in the "Readers Digest" criticizing the unemployment compensation system.

11. INFLATION. Sen. Mundt inserted an article which places the cause of inflation in Government spending and stated that any candidate who favors more spending "stands ... for inflation." p. A3684

BILLS INTRODUCED

12. SALINE WATER. S. 3446, by Sen. Case, S. Dak., to amend the act of July 3, 1952, as amended relating to research and development and utilization of saline water; to Interior and Insular Affairs Committee. Remarks of author. p. 8301

13. EXTENSION SERVICE. S. 3450, by Sen. Ellender (by request), to amend section 2 (relating to the endowment and support of colleges of agriculture and the mechanic arts) of the act of June 29, 1935, to increase the authorized appropriation for resident teaching grants to land grant institutions; to Agriculture and Forestry Committee.

14. PUBLIC LAW 480. S. 3456, by Sen. Ellender (by request), to amend the Agricultural Trade Development and Assistance Act of 1954; to Agriculture and Forestry Committee. Remarks of author. p. 8302

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COMMITTEE HEARINGS ANNOUNCEMENTS:
May 2: Poage farm bill and extension of farm labor program, H. Agriculture.
Education of children of migratory workers, H. Education and Labor.
Various mineral leasing bills, H. Interior (exec).

oOo

For supplemental information or copies of legislative material referred to, call Ext. 4654 or send to Room 105-A.

world—including 26 areas in Europe, Asia, Latin America, and the Middle East.

On a recent occasion President Eisenhower lauded CARE's activities; stating that—among the many efforts designed to strengthen the foundations of peace—CARE occupies an honored place through bringing help and hope to millions in ravaged lands around the world.

I was extremely gratified to recently learn from the energetic and personable public relations director of CARE, Kate Alfriend, that my own State of Wisconsin ranks 10th among the 50 States in the amount of contributions to CARE—having given over $4,125,000 since CARE's inception.

This week, meeting at their 12th annual convention here in the Nation's Capital, the Cooperative Food Distributors of America gave a truly commendable, humanitarian meaning to their 1,250-member organization by subscribing, in a short 48-hour period, over $10,000 to buy CARE food packages. The CFDA, a trade association organized and owned by some 24,000 independent grocers in the 50 States, kicked off their CFDA food-for-peace crusade at noon on Monday, of this week, and by noon, Wednesday, had oversubscribed their $10,000 goal. In accepting the CFDA pledge, Mr. Richard Reuter, the executive director of CARE, stated that it was one of the largest sums ever raised for CARE in such a short period of time by any group. On presenting the CFDA president, Mr. Mike Rabinowitz, with a plaque honoring the foodmen's generosity, Mr. Reuter added that he had never seen the membership of an organization assume their responsibility so seriously. The food distributors had been prompted to this voluntary contribution by the challenging question posed by the opening speech at the convention, "Will Food Win the Peace?" delivered by the editor of This Week magazine—Mr. Bill Nichols.

I take considerable pleasure in commending such outstanding humanitarian efforts as this achievement by the CFDA. As stated by their president, they have demonstrated their awareness of the need to feed the hungry peoples of the world as a basis for a permanent peace.

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

Mr. JOHNSON of Texas. Mr. President, the Senator from Alaska [Mr. GRUENING] has an amendment to offer to the pending bill.

The PRESIDENT pro tempore. The unfinished business will be laid before the Senate.

MUTUAL SECURITY ACT OF 1960

The Senate resumed the consideration of the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. GRUENING. I send to the desk, Mr. President, four amendments to the Mutual Security Act. I am not sure in what order I propose to bring them up on Monday, but the first amendment—which bears Roman numeral I—is patterned after the amendment submitted by me last year and relates to defense support, technical cooperation, and special assistance. It would require, with respect to these programs, the submission of firm budgets within 90 days after the Mutual Security Appropriation Act is enacted. It is printed at page 628 of the Senate hearings on the Mutual Security Act of 1960. On the following page Senators will find the letter to me from the Comptroller General of the United States.

Senators will note that the Comptroller General would go even further. He would curtail the President's use of the discretionary funds permitted him under sections 451(a) or 501 of the act. These I do not propose to curtail, although I must admit that the Comptroller General has made a strong case for some revision of those provisions also.

The second amendment—which bears the Roman numeral II—and is to be found on pages 628–629 of the hearings—relates to military assistance only. It would require the submission, during the annual requests for authorizations and appropriations, a clear and detailed explanation, on a country by country basis, of the force objectives toward the support of which military assistance is proposed to be furnished and other data, enumerated in the proposed amendment, all designed to let the Congress know clearly where we are going and how much it will cost to go there.

I call this amendment the "required planning" amendment.

This amendment has been suggested by the Comptroller General, as will be seen by his statement in the middle of page 629 of the printed hearings. Of this proposal, the Comptroller General has said:

> Although the Department of Defense has taken measures to project the program costs 3 years into the future, the present budget justification submitted to the Congress by the executive agencies does not contain information which we consider necessary to provide the Congress with a fully informed basis for appropriating funds and for reviewing program performance.

My third amendment—which bears the Roman numeral III—is exactly the language contained in the House-passed bill; and this, I think, I will bring up first on Monday. I call my colleagues' attention to H.R. 11510—the House-passed Mutual Security Act of 1960—and to pages 10 and 11, where my proposed amendment appears as subsection (e).

It is a simple amendment.

It only requires for nonmilitary public works programs and projects abroad the application of the same standards as for domestic public works programs and projects as prescribed by the Bureau of the Budget.

My fourth amendment—which bears the Roman numeral IV—takes this concept one step further and requires specific congressional authorization for large foreign public works programs and projects and for such other large endeavors as airfields, highways, railways, and so forth. Large is defined in the proposed amendment as any program or project the total cost of which will be $1 million or more.

Mr. President, I ask that these amendments be received and printed and lie on the table, and that the texts of these amendments be printed in the CONGRESSIONAL RECORD at the appropriate points in my remarks.

The PRESIDENT pro tempore. The amendments will be received and printed, and will lie on the table; and, without objection, the amendments will be printed in the RECORD.

The amendments are as follows:

Amend section 401 by adding at the end thereof an appropriately lettered new subsection, as follows:

"Section 537(f) is amended to read as follows:

" 'Within ninety calendar days after the enactment of the Act making appropriations for the fiscal year 1960 and subsequent fiscal years for carrying out the purposes of this Act, there shall be submitted to the cognizant committees of the House and Senate detailed budgets on a country-by-country basis setting forth, with respect to defense support, technical cooperation, and special assistance, the specific purposes in detail by amounts for which the funds available will be obligated during the respective fiscal year, and such funds shall be available only for the purposes thus specified: *Provided,* That this subsection shall not apply to funds affected by the use of sections 451 (a) or 501 of this Act, or to reasonable variations in the use of funds within a country for purposes other than those specified in the detailed budgets.' "

Amend section 401 by adding at the end thereof an appropriately lettered new subsection, as follows:

"Section 537(f) is amended to read as follows:

" 'During the annual presentation to the Congress of requests for authorizations and appropriations of military assistance under this Act, there shall be submitted a clear and detailed explanation on a country-by-country basis of the force objectives toward the support of which such assistance is proposed to be furnished; the projected costs of equipping and the annual recurring costs of maintaining such force objectives, together with the estimated costs of present plans for modernizing such force objectives; an explanation of the degree to which such force objectives had been equipped, maintained, and modernized under programs already approved; the accomplishments to be achieved with the funds currently being requested, and estimates of the time-phased costs for carrying out the remainder of the program.' "

Amend section 401 by renumbering subsectoins e, f, g, h, and i as f, g, h, i, and j, respectively. Insert after subsection (d) the following new subsection:

"(e) Section 517, which relates to completion of plans and cost estimates, is amended as follows:

"(1) Insert '(a)' immediately after SEC. 517. Following section 517(a) as renumbered, insert the following new subsection:

" '(b) All nonmilitary flood control, reclamation and other water and related land resource programs or projects proposed for construction under titles I, II, or III (except section 306) of chapter II, under section 400, or under section 451 of this Act, shall be examined by qualified engineers, financed under this Act, in accordance with the general procedures prescribed in circular A–47 of the Bureau of the Budget, dated December 31, 1952, for flood control, reclamation and other water and related land resource programs and projects proposed for construction within the continental limits of the United States of America. In all cases the benefits and costs shall be determined, and a copy of the

determination shall be submitted to the Speaker of the House of Representatives and the Foreign Relations Committee and the Appropriations Committee of the Senate. No such program or project shall be undertaken in which the benefits do not exceed the costs and which does not otherwise meet the standards and criteria used in determining the feasibility of flood control, reclamation, and other water and related land resource programs and projects proposed for construction within the continental limits of the United States of America as per circular A-47 of the Bureau of the Budget, dated December 31, 1952.'" (Language contained in House-passed bill, H.R. 11510—"Mutual Security Act of 1960"—on page 10, lines 8 through 25 and on page 11, lines 1 through 10.)

Amend section 401 by renumbering subsections e, f, g, h, and i as f, g, h, i, and j, respectively. Insert after subsection (d) the following new subsection:

"(e) Section 517, which relates to completion of plans and cost estimates, is amended as follows:

"(1) Insert '(a)' immediately after SEC. 517. Following section 517(a) as renumbered, insert the following new subsection:

" 'Each nonmilitary program or project for the purpose of flood control, hydroelectric power development, reclamation of land, highway construction or improvement, airport construction or improvement, railway construction or improvement, harbor construction or improvement, navigation improvement, housing or hospital construction and programs and projects related to such activities herein specifically enumerated which are proposed for construction under authority of title I, II, or III (except sec. 306) of chapter II, under section 400 or under section 451 of this Act and for which the estimated total cost is $1,000,000 or more shall be separately authorized by the Congress and no funds for such projects shall be appropriated without such prior authorization.'"

THE EISENHOWER ADMINISTRATION'S DOUBLE STANDARD

Mr. GRUENING. Mr. President, day before yesterday the newspapers front-paged the fact that President Eisenhower had decided to send a special message to Congress and to the Nation protesting what he referred to as "Democratic spending" and urging prompt action on his legislative proposals. The news story indicated that the Democratic proposals which he objected to, and threatened to veto if enacted, were a health insurance plan for the aged; a housing bill—which I note has just passed the House by a substantial majority; a depressed areas bill, a Federal employee pay increase bill, a Youth Conservation Corps bill, and a bill providing for an increase in the national minimum wage.

This warning to the Democratic majority in the National Legislature, this Presidential fingershaking at Congress, coincides with the very moment when the administration's mutual security bill, asking over $4 billion for foreign aid, is being presented to the Senate. As usual, during the Eisenhower years, this proposal to render aid in every conceivable form to a total of 104 foreign countries and areas—yes; the total has now risen to this figure of 104—is accompanied by the stern injunction from President Eisenhower that these foreign aid requests are all essential and must not be cut by a nickel.

Mr. President, during recent months I have repeatedly called attention to the striking contrast in the negative attitude of the Eisenhower-Nixon administration toward expenditures that will be beneficial to the American people and its fervently favorable attitude toward expenditures for the benefit of people in virtually every foreign land outside of the Iron Curtain, and including some lands within it.

While proposed legislation to combat the serious pollution of our American rivers, to eliminate sewage from the Nation's water supply, was vetoed by the President on the specious ground that this was a local responsibility, although the legislation provided only 30 percent Federal aid as against 70 percent State and it is obvious that our polluted rivers cross many State boundaries, thus making some Federal responsibility manifest; the administration's foreign aid programs provided vast sums of American dollars to combat water pollution abroad.

A bill designed to make a survey of our coal mining industry, which is in a serious plight, legislation designed to discover new uses for coal and help put back to work some of the unemployed coal miners in such States as West Virginia, Alabama, Colorado, Iowa, Illinois, Indiana, Kentucky, Montana, Ohio, Tennessee, Virginia, Missouri, Alaska, Utah, Pennsylvania, indeed in over half the States of the Union where unemployment and real hardship has struck hard at our own people, was vetoed by President Eisenhower. However, not only such surveys, but far more tangible aid to all kinds of mining in foreign lands were part of the President's "must" foreign aid program.

The day before yesterday, Mr. President, at the press conference held in the White House, May Craig, of the Portland Press Herald, one of the outstanding newspaper correspondents of our time, asked the President the following question:

Mr. President, for more years than you have been in the White House, the pitiful children of the West Virginia unemployed coal miners have been starving for proper food. * * * While you and Congress talk about helping the needy in foreign countries, isn't there something that you could do for needy Americans in this rich America of our own?

The President replied as follows:

Well, Mrs. Craig, you say they haven't been helped. I thought they had. Now I'm not going to try to generalize here or make any alibis. I will find out exactly what has happened because in talking to the Secretary of Agriculture over the years, I assumed that for those people that were really destitute, that there were methods for helping them so that they got enough to eat.

I note on the floor the able senior Senator from West Virginia [Mr. RANDOLPH] who is doing so much to try to combat the unemployment and depression in his State, a task which is certainly not facilitated by the administration's lack of interest and concern in the plight of the people there, and its declared opposition to the very measures sponsored by the senior Senator from West Virginia and others to provide relief from the conditions from which his State and other depressed American areas suffer.

The PRESIDENT pro tempore. The Senator from Alaska should understand that time is running. Has the Senator offered an amendment?

Mr. GRUENING. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. GRUENING. Is the Senate not in the morning hour?

The PRESIDENT pro tempore. The unfinished business has been laid before the Senate.

Mr. GRUENING. Mr. President, I ask unanimous consent to continue for an additional 3 minutes.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Alaska? The Chair hears none, and it is so ordered.

Mr. GRUENING. I might suggest, Mr. President, perhaps a little facetiously, in the presence of my distinguished colleague, the Senator from West Virginia [Mr. RANDOLPH], that if West Virginia were to secede from the Union it might be the recipient of the kind of support it is denied as a State of the Union. Its depressed areas and its hungry children might then receive the attention that they have not received and do not receive from this administration.

When the aid to education bill was before the Congress and the Clark amendment to provide Federal aid not merely for classrooms but for teachers' salaries was defeated after a tie vote in the Senate, by the tie-breaking vote of Vice President NIXON, and it was made crystal clear that the administration was adamantly opposed to spending any Federal funds to help pay teachers' salaries in the United States, I pointed out that payment of teachers' salaries was included in some of our foreign aid projects, and sought to find out whether the Republican congressional leadership would follow the President and adopt a similar opposition toward salaries for teachers in foreign countries. I was unable to get a clear-cut answer, but it was obvious that the double standard which originates in the White House is pressed upon its loyal following in the Congress.

When an excellent bill to provide research in our American forestry resources and to discover new uses of wood was slashed by 70 percent by the administration in its budget, I listed the numerous very generous current provisions for forestry research, for afforestation, for reforestation in more than a score of foreign countries in the administration's must program.

The same double standard prevails in housing, in hydroelectric and other resource development, in highway and airport construction, and in every phase of human activity which spells welfare and progress for mankind.

We have now before us the so-called mutual security bill of 1960—Senate bill 3058. The Senate Committee on Foreign Relations, in its report on this bill, calls attention to the lack of public support for

this legislation. The committee labels this public attitude a paradox, and on page 4 of the report points out that despite the support of the program by every President, every Secretary of State, every Secretary of Defense, and every Chairman of the Joint Chiefs of Staff and every Congress, as well as by citizens groups and numerous other entities, "yet," and I quote, "there is unmistakable evidence that the program is misunderstood and disliked by large numbers of the American people."

The committee report goes on to set forth its view that a part of the explanation for the public dislike undoubtedly lies in faulty administration of this foreign-aid program. I have no doubt that this is a part of the explanation, although I feel that the double standard, the callous disregard by this administration of the needs of the American people while insisting on steadily more and more aid for foreign lands, is no less responsible for the growing public resentment. It is thrown into high relief again by the contemporarily projected lecture by the President to the Congress over what is indicated will be made over a nationwide hookup, threatening vetoes, even before the Congress has enacted some of this legislation, on such measures as health insurance for the aged, adequate housing, relief for depressed areas, a minimum wage increase. This contrast, following the long line of vetoes and threatened vetoes of housing measures, airport and public-works construction, water-pollution control, resource development, aid to small business, and nearly everything vital to our own people, is increasingly disgusting them.

But taking the committee's explanation that the dislike by large numbers of Americans of the foreign aid program is due to faulty administration, one wonders why moves to improve such faulty administration are steadily opposed by it.

In the last session, Mr. President, I introduced an amendment prepared at my request by the Comptroller General of the United States, embodying his prescription for tightening up the program, which sought to apply the same budgetary standards to foreign spending that we apply to domestic spending. Instead of mere illustrative budgets, which is all the Eisenhower administration presents on foreign spending, with no obligation whatever to adhere to them, and which are, in effect, a blank check on foreign aid expenditures, my amendment urged that foreign appropriations be subject to the same congressional scrutiny, first by the authorizing committees, then by the appropriate subcommittees of the Appropriation Committees, and then by the full Appropriations Committees. Although this amendment had the opposition of the White House, of the leadership of both parties, and of the committees, it received 37 votes.

Again this year I presented this amendment before the Committee on Foreign Relations and it was rejected.

The House version of the mutual security bill—H.R. 11510—contains a number of excellent amendments designed to tighten up the program and to restore in part the congressional authority over appropriations which I believe is constitutionally its right and duty to exercise.

Mr. President, despite the disposition to rush through this mutual security authorization with great haste, I intend to offer several amendments—indeed, I have already offered them—all designed to improve the efficient administration of this program and to eliminate the shocking waste and the faults that have been committed again and again in the past. But I want to serve notice that whether successful or not, I shall continue to fight with all the energy at my disposal the policy of the administration, which is the first in our history to show a far greater concern for the welfare of the people in every foreign land than it does for the people of our own.

Mr. KEATING. Mr. President——

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). The Senator from New York.

Mr. KEATING. Mr. President, if it is necessary to offer an amendment——

The PRESIDING OFFICER. Will the Senator please suspend.

The Chair wishes to inform the Senate that the mutual security bill is now before the Senate for consideration. Time is running on each amendment.

Mr. JOHNSON of Texas. Mr. President, does the Senator from New York desire time?

Mr. KEATING. I do.

Mr. JOHNSON of Texas. Mr. President, how much time do we have in opposition to the amendment?

The PRESIDING OFFICER. There is no amendment pending at the moment.

Mr. JOHNSON of Texas. Mr. President, I thought the Senator from Alaska had offered an amendment. I asked the Senator to offer one.

Mr. GRUENING. Mr. President, I have offered all four amendments.

Mr. JOHNSON of Texas. Will the Senator from Alaska call up an amendment, so that we can speak as to it?

Mr. GRUENING. Mr. President, I have called the amendments up, and I have spoken on them.

The PRESIDING OFFICER. The clerk will state one of the four amendments.

Mr. JOHNSON of Texas. Does the Senator from Alaska desire to have the amendments considered en bloc, or separately?

Mr. GRUENING. Mr. President, I should like to have the amendments considered and acted on separately. I call up amendment No. 3, identified as "4–28–60—I."

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to amend section 401 by renumbering subsections e, f, g, h, and i as f, g, h, i, and j, respectively, and insert after subsection (d) the following new subsection:

(e) Section 517, which relates to completion of plans and cost estimates, is amended as follows:

(1) Insert "(a)" immediately after "SEC. 517" and following section 517(a) as renumbered, insert the following new subsection:

"(b) Each nonmilitary program or project for the purpose of flood control, hydroelectric power development, reclamation of land, highway construction or improvement, airport construction or improvement, railway construction or improvement, harbor construction or improvement, navigation improvement, housing or hospital construction, and programs and projects related to such activities herein specifically enumerated which are proposed for construction under authority of title I, II, or III (except section 306) of chapter II, under section 400 or under section 451 of this act and for which the estimated total cost is $1 million or more shall be separately authorized by the Congress and no funds for such projects shall be appropriated without such prior authorization."

The PRESIDING OFFICER. In response to a previous question raised by the Senator from Texas, under the unanimous-consent agreement 1 hour is allowed on each amendment, 30 minutes to a side. Already 15 minutes have been consumed.

Mr. JOHNSON of Texas. Mr. President, I yield 15 minutes to the Senator from New York in opposition to the amendment.

Mr. KEATING. Mr. President, I appreciate the courtesy of the majority leader, but I do not intend to speak on the amendment.

Mr. JOHNSON of Texas. The Senator does not have to. There is no rule of germaneness.

THE SITUATION IN KOREA

Mr. KEATING. Mr. President, there can be no doubt that the situation in Korea today is grave. There is cause for concern not only for the future security of the people of that brave country, but for America's prestige and standing in Asia.

It will take the combined cooperation of all concerned—both in Korea and in the United States—if the crisis caused by post-election riots and President Rhee's resignation is to be surmounted. I am firmly convinced that America's stake in Korea is so important and our obligations to insure political stability there so firm, that we must play an active role in the days ahead as the search for new national leadership is pursued.

The tragedy in Korea has been compounded by the involvement in it of one of the outstanding figures of our time, Syngman Rhee. Unquestionably, this patriot is more responsible than any other man for the fact that the flame of Korean independence continued to burn bright during the long years of foreign occupation of his homeland. His preseverence in the face of adversity, and his determination that his beloved Korea would one day be free and independent, must not be overlooked in these dark days he is now going through.

Here in Washington, the Korean Government has been fortunate to have as its represesntative, Ambassador Yang, as well as his charming wife. He has served his country well and with distinction and has done much to strengthen the bonds of friendship between Korea and the United States. We hope it will be possible for Ambassador and Mrs. Yang to remain in our community, should it be determined that here he can best serve the interests of his nation.

Mr. President, there are those who have challenged the actions of our Government in recent days because they feel we have unfairly "intervened" in the affairs of Korea. I am sympathetic to those who voice these misgivings, but I believe they are missing the mark in this instance.

It is true, of course, that the United States has traditionally maintained a hands-off policy with regard to the internal affairs of other countries. In most cases that is a correct and necessary approach.

However, the situation in Korea is quite different from most others which confront us today. Our strictures against the repressive measures adopted there were well merited in the light of the violence and bloodshed which followed the Korean elections, and in the light of our deep involvement in Korea's defense and future. In speaking out against the brutality and excesses in the present tragic situation, the United States was giving voice to a new approach in our foreign policies which has been spearheaded by Secretary of State Herter. We were demonstrating that we intend to take the lead in promoting true democracy and independence among the nations of the world. Indeed, in the cases of Korea and South Africa, we have shown in recent weeks that we will speak out with great vigor for what we believe is right. This is a voice with real meaning for the emerging peoples of the world who yearn for freedom and independence and world support.

The State Department's warnings to the Korean Government must also be viewed in the context of the great numbers of Americans who lost their lives in saving Korea from invasion, and in the context of the large amounts of American military, economic and technical aid which has of necessity been furnished since the Korean conflict to insure the independence of the country. The blood of American boys and the dollars of American taxpayers must not be spent in vain in Korea. They were not spent there to continue the existence of a government based on tyranny. They were spent there to protect the independence and free choice of the people of Korea.

Thus, America's concern with the fate of this brave nation and its people is direct and immediate. In a strong sense, our concern is obligatory, and in no sense is their future to be regarded as a strictly internal affair.

Therefore, it is vital that national elections be held in South Korea as soon as possible. The people must be given an opportunity to express their will fully and freely.

If the present unrest continues and conditions warrant, it may be that United Nations representatives will be needed to monitor the election. In addition, the United States must not hesitate to put its troops—already there—at the disposal of Korean officials seeking to insure a tranquil and fair plebiscite.

It is my hope that through our State Department and its representatives, the United States will continue to manifest cautious but determined guidance with regard to the future of Korea. It is clear that at the present time the country is in a rudderless state, with no effective government and no clearly defined leaders to run the ship of state.

This lack of leadership is particularly disturbing in view of the continuing threat of Communist invasion from the north. That danger cannot be discounted at any time, especially now that South Korea has been shaken to its foundations by domestic strife. Prolonged disorder could lead to catastrophe.

Our own deep involvement in the security of Korea is manifest. There are presently 55,000 American troops, plus a few other U.N. forces, in Korea. They have been put on a 24-hour alert, and a special meeting has been held in Washington of representatives of the nations which fought to save South Korea from previous Communist aggression.

Mr. President, it may be that the United States, or the United Nations, will be obliged to send additional troops there to help shore up the interim government until internal peace and stability are firmly reestablished. Once again, the lack of a United Nations police force, which could step into such a breach as this in order to insure the continuation of peace, is felt.

The success of the United Nations Emergency Force in quieting tensions in the Middle East augurs well for the use of a permanent peace army such as this in many trouble spots around the world. Such a U.N. police force need not be huge and it need not draw too heavily on any one nation.

As a matter of fact, I envision the best possible U.N. peace army as being made up largely of representatives of the smaller nations of the world, thus preventing the drawing in of large, nuclear-possessing nations in any conflict into which the police force might be called.

Of course, the main power of a U.N. police force would be moral, rather than military. As has been demonstrated in the Near East, such a force can throw a quieting blanket over areas of tension and can serve as a tranquilizer, a buffer against aggression, between belligerent nations.

Mr. President, the creation of a U.N. police force is long overdue. It could be of inestimable help in the troubled days ahead in Korea. I hope America's representatives at the United Nations will press forward with their efforts to have such a peace army established in the very near future.

We can take some hope from the fact that from all indications the leaders of the opposition to President Rhee are strongly anti-Communist and pro-American. According to reports I have studied, the overwhelming majority of the revolutionists are firm in the camp of the free world.

The nature of the opposition to the old regime gives rise to the hope that any new government which is formed will work for greater freedom and democracy for the Korean people. It is incumbent upon the United States to give hope and encouragement to all efforts which seek to achieve that goal. To that end, we must make sure that sufficient aid is continued under the mutual security program, which is now before the Senate for review.

Certainly, the revolution in Korea is all the more reason for the United States to insure a continued flow of assistance which is so vital to the internal stability and military strength of that country. Any effort to use the recent uprisings as an excuse to cut off such aid must be strongly opposed in Congress.

In conclusion, Mr. President, it is clear that the United States and indeed the free world must follow closely developments in Korea. We must by all appropriate means give assistance to the rising forces of democracy there. We must encourage an early and fair national election. At the same time we must make crystal clear to the Communists that any efforts to subvert the interim government in Korea, or any attempt to trespass onto the territory of South Korea, will be strongly opposed by this country.

Our duty, then, is to work by all possible means to insure the continued independence of South Korea in this difficult transition period, while at the same time encouraging the forces of political reconstruction and freedom inside the country. It is a task which is vital to the future of America, of Korea, and of the world. Upon the success of efforts to ward off the Communists and build internal democracy and stability in Korea may well rest the future peace of the entire world.

Mr. President, I ask unanimous consent to include at the conclusion of my remarks a number of editorials and comments by various columnists from some of the Nation's leading newspapers which generally support the action taken by the Department of State in South Korea and also reflect America's very deep concern about developments in that troubled land.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Rochester Democrat and Chronicle, Apr. 24, 1960]

AMERICA SPEAKS UP FOR JUSTICE

In one of the most severe protests ever made to an ally, the United States has accused Syngman Rhee's administration in Korea of adopting "repressive measures unsuited to a free democracy." Thus sharply did we react to postelection violence and bloodshed in Korea.

And only a few days ago, the United States told South Africa what it thought of that country for the apartheid-induced massacre of Negroes.

This is the American voice we delight to hear.

It is the voice of a great Nation which may finally be learning that it is no part of greatness or leadership to play the part of the doormat and the whipping boy. It is the voice of leadership; the voice speaking not for what is expedient, but for what is right. Above all, it is the voice speaking the language which can be understood by the emerging hundreds of millions of people on this earth; the voice that can be heard over Red propaganda. It is the sound of music.

By coincidence, this voice comes through clearly on the first anniversary—today—of

sentatives should be permitted more latitude in ordering their local affairs than they now enjoy.

More judicial restraint would be very much in order.

Let us examine the process by which the decisions are reached by the Supreme Court. First, the members of the Court decide that the Court has jurisdiction of the subject matter, it matters not what it may be. It takes the position that its decision, in this regard, is final and beyond review by any other agency of Government. This is an assertion of absolute power unrestrained by a vote of the people. Second, it decides the issues which it alone determines are presented and it takes the position that its decision on the issues is final and binding upon all other branches of government, even to the point of declaring null and void the deliberate acts of the executive and legislative branches of Government.

As heretofore pointed out, the Court contends that its varying and contradictory decisions interpreting the Federal Constitution are the supreme law of the land. Thus, the position of the Court is that it is absolute and all in all. It should be a sufficient answer to this to point out that Thomas Jefferson, Andrew Jackson, and Abraham Lincoln disagreed with such contention. If the Supreme Court is the final authority of what it may or may not do and what the two other coordinate branches of Government may or may not do, how can it be contended that it has not constituted itself a supergovernment?

Mr. Justice Stone, prior to becoming Chief Justice, stated in the *Butler* case (297 U.S. 1, 78, 79, 80 L. ed. 477, 495) that, while the legislative and executive branches are subject to restraint by the vote of the people at regular intervals, the only check upon the exercise of power by the members of the Supreme Court is their own sense of self-restraint. What a commentary on free government.

POLITICAL CONSTITUTIONAL REVIEW COUNCIL

You may ask me, "What is the answer to all this?" I reply that the efficient answer to this is a frankly political constitutional review council with the power to reverse and overrule decisions of the Supreme Court of the United States wherever that Court undertakes to interpret the Federal Constitution or to declare null and void acts of the Congress or of the State legislatures or the acts of the executive power, either Federal or State. Such a procedure would provide an automatic appeal to this council from any decision of the Supreme Court taking the action referred to.

Such council would be drawn from the branches of both the Federal and State Governments.

It is contended that the very existence of such a council would constitute a salutary restraining influence upon the Supreme Court and would result in preventing many of these decisions rendered by that Court undertaking to declare null and void acts of the executive and the legislative branches of Government, both Federal and State. The existence of such a council would inculcate a sense of wise judicial restraint where it now appears to be absent.

The mere presence of a reviewing authority would cause the members of the Court to exercise more mature judicial discretion than is now the case where they are free to roam in a world all their own. At all events, the people would have a frankly political council to exercise jurisdiction over what are frankly political decisions of the Supreme Court in the sense of governmental polity and admitted to be such by many members thereof.

History proves that public opinion has not been efficacious in retarding this march toward centralization of all power in the Federal authority. If this march is to be reversed, constitutional action is necessary.

Relatively speaking, I do not believe that the Supreme Court is any less in need of paramount authority over it than any other agency of Government. In the large sense, it is a political agency of Government as are the legislative and executive branches. I have never entertained the thought that the members of the Court are more intelligent, patriotic, or possessed of greater integrity than other public officials. The members of the Court are men possessed of the ordinary and usual frailties and shortcomings of human nature and the elevation to the bench of that, or any other court, does not change human nature.

My parting thought is: In a free society, the constitutional charter should be construed always in favor of a wide diffusion of power among the people and against consolidation of power in the national authority. Please remember that few men are without the dictator and indispensable man complex, to some degree, although they will honestly deny such aspiration or tendency. Therefore, it behooves free men to resolve all silences, omissions, presumptions, inferences, and doubts arising from national charters in favor of local autonomy, otherwise consolidation and concentration of authority at the top will ineluctably follow as night the day.

What the people of this Nation need is to talk less and act more in behalf of a movement to amend the Federal Constitution by specifically writing into that document the spirit which the Founding Fathers breathed into it, largely by implication, hoping with James Russell Lowell that this spirit would find lodgment in the hearts and minds of those who followed in their footsteps. The Fathers were possessed of that robust quality of free men, but their descendants have faltered and equivocated.

These gaps in the Constitution should be closed by unmistakable amendatory language, based upon experience, and so plainly worded that no consolidationist, however, sincere, might misconstrue the meaning of free government. This, to the end that there be indelibly enshrined in our Federal charter the wisdom of Thomas Jefferson, epitomized by these immortal words:

"In questions of power, then, let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution."

MUTUAL SECURITY ACT OF 1960

The Senate resumed the consideration of the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. JOHNSTON of South Carolina. Mr. President, I think it was understood that my time on my amendment would begin as of now.

Mr. President, I submit, and send to the desk, an amendment which is identified as "4–28–60—D." I call up the amendment at this time.

The PRESIDING OFFICER. The amendment submitted by the Senator from South Carolina will be stated.

The LEGISLATIVE CLERK. On page 20, between lines 21 and 22, it is proposed to insert the following:

(d) In section 510, which relates to purchases of commodities, strike out the third sentence and substitute the following: "Funds made available under chapter II of this Act may not be used for the procurement of a commodity outside the United States: *Provided,* That not more than 65 per centum of such funds from and after the date of enactment of the Mutual Security Act of 1960 may be used for the procurement of a commodity outside the United States if the President determines that such procurement will not result in adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, or to the net position of the United States in its balance of trade with the rest of the world, which outweigh the economic advantages to the United States of less costly procurement abroad, except that if the President determines that the rate of employment in an industry producing a commodity is depressed, none of such funds shall be used for the procurement of such commodity outside the United States."

Redesignate subsections (d) to (i) inclusive, as (e) to (j), respectively.

Mr. JOHNSTON of South Carolina. Mr. President——

Mr. HOLLAND. Mr. President, I yield to the Senator from South Carolina 30 minutes on the bill.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 30 minutes on the bill.

Mr. JOHNSTON of South Carolina. I thank the Senator from Florida.

Mr. President, in 1946 the Congress of the United States was asked to initiate a program to help Great Britain rejuvenate itself economically from the ravages of World War II. We were asked in that year to lend Great Britain $3,750 million. The purpose of this loan was to bolster the economy of that nation and help Great Britain restore its position in world trade, and to meet its financial obligations at home.

On May 2, 1946, I made an extended speech to the Senate on this proposed loan, which was, of course, the forerunner of Marshall plan aid, which subsequently became foreign aid, and which is now referred to under the smokescreen title of mutual security.

A loan would seem to be a legitimate piece of business, but when we got into the history of loans to foreign countries it was revealed that "loans" was just another expression for "giveaways."

It was interesting to note that at the time when the request for the $3,750 million loan to Great Britain was made, foreign countries still owed the United States, as of July 1, 1945, $14,791,340,307 in World War I debts, of which a large portion was owed to us by Great Britain. Every nation in the world which had owed us these funds from World War I, except Finland, was in default with us at the outset of World War II.

At the same time France had in Washington an emissary who was seeking a $2½ billion loan, China was asking for a huge loan, Russia was seeking $1 billion, and other countries were making approaches for money. Estimates in 1945 placed requests being made of us at $15 billion. That was 15 years ago.

During World War II, we sent to foreign countries untold billions of dollars in goods and materials. I doubt that there is a true picture of just what the true value of the goods we sent overseas during World War II amounted to. I know we sold Great Britain $6,500 million worth of goods left over at the end of World War II; we sold them for $650,000, or 10 cents on the dollar. In addition, we canceled World War I debts, and

canceled every obligation for that country, amounting to approximately $32 billion. In return, we lent them the $3,750 million they were seeking at that time. To this, I objected.

In 1946, when I spoke against the loan to Great Britain and loans to other countries, and when I spoke against marking off the war surplus goods at 10 cents on the dollar, and when I spoke against wiping off the slate the debts of World War I, I warned that we were being spendthrifts. I could see further into the future than the spendthrift angle, because I knew that once we got into the habit of giving away money to foreign countries, for whatever good purpose, we would never be able to get out of the habit. All of us know that if a child is given a stick of candy, he does not want to give it up.

One loan led to another, and these led to gifts and grants, and to what we now call mutual security.

In 1946, I warned the Senate that these loans, gifts, grants, and whatnot would be used to build up foreign industry and foreign agriculture, which, coupled with cheap foreign labor, would come back to haunt us in later days. We are now in the later days, because American industry and American labor and American farmers are suffering from foreign competition in all fields, as they have never suffered before.

Never in the history of the United States has competition from abroad captured so many foreign and domestic markets which once belonged to American business, American labor, and American agriculture. Our gifts, grants, and loans have built up mountains of industrial might that now surround us; and yet we still have "statesmen"—and I use the word "statesmen" in quotation marks—who want to heap more upon those mountains and further confine America's free enterprise system.

Mr. President, there are a few facts of life which should be heeded in the Senate at this time.

In 1957 we imported from foreign countries a modest 1 1/10 million tons of steel-mill products. By 1959 imports of such products had quadrupled to 4 1/10 million tons.

In reverse order, in 1957 American steel mills exported 5 2/10 million tons of steel-mill products, and by 1959 these exports had dropped to 1 5/10 million tons.

This is practically a decrease of exports equal to an increase of imports. So, in fact, during that 3-year period, American steel mills lost markets for 8 1/10 million tons of steel products. This amounted to approximately 11 percent of our 1959 raw steel production, because it takes 10 million tons of steel ingots to equal 7 million tons of finished steel.

Mr. President, let us consider the automobile industry, as an example. In 1959, 625,000 foreign-built passenger cars were imported into the United States. That was an increase of more than half a million automobiles over the number imported in 1955. At the same time, only 115,000 American cars were exported in 1959—which was more than a 50-percent drop in the number of American cars that were exported in 1955. We lost that production to foreign competition. We lost that producton to foreign industries that benefited from American loans, gifts, and grants. I see no mutual security in such stark figures which reflect the decline of American industry, labor, agriculture, and economy.

Mr. President, nothing portrays more vividly than does the automobile industry the changing balance of trade which is placing America in an unfavorable trade position.

For example, in 1952, the United States imported from France 145 new automobiles, at a cost of $243,439. By 1953, the latest year for which these figures are available, we imported from France 89,481 new cars, at a cost of $86,119,510.

In 1952 the United States imported 31,243 new cars from Great Britain, at a cost of $41,071,595. By 1958, we were importing 153,597 new cars from Great Britain, at a cost of $194,072,216.

In the case of West Germany, in 1952 we imported 1,341 new cars at a cost of $2,142,081. But by 1958 we were importing 134,610 new automobiles, at a cost of $145,974,098.

Mr. President, so it goes throughout the world, throughout every industry, and throughout every commodity. Imports to the United States have been growing, growing, growing, ever since the foreign-aid program was conceived.

Now let us look at exports of U.S. automobiles abroad. In 1952 the United States exported 1,330 new cars to France, for a net income of $3,035,353. In 1958 our exports of new cars to France had diminished to 971, realizing us an inflow of $2,692,984.

In the case of Great Britain, in 1952 we exported 224 new cars to that country, realizing a cash return of $429,220. In 1955 our exports of new cars to Great Britain amounted to 700, realizing us $1,533,890. By 1958, our exports to that country had dropped to 329 new cars, bringing into this country only $892,832. This is hardly enough volume in trade to keep one automobile dealer in America in business.

In the case of West Germany, we exported to that country in 1955, 983 new cars, bringing in $1,927,405. By 1958, our exports to West Germany had diminished to 333 cars, for a total sales value of $893,320.

Here is another interesting import item: sewing machines.

Mr. President, I point out that we manufacture sewing machines in South Carolina.

In 1949 the United States imported 37,800 sewing machines. In 1950 imports had quadrupled to 153,000 units; and last year we imported 1,229,400 sewing machines—more than half a million of these machines coming from Japan—all of them coming from nations which have benefited from our so-called mutual security "giveaway" program.

Is it not foolish to give to people who are taking away the trade and the business of the United States?

Mr. President, Western European machine tool builders are underselling domestic builders of comparable supplies by 30 percent. This is after production costs, shipment costs, freight costs, insurance, and tariffs.

This brings me to another interesting point. While the United States has been lowering tariffs to make it easy for foreign countries to come into our country with their manufactured goods, foreign countries, on the other hand, have been increasingly building up tariff walls to keep American goods out of those countries.

If the original purpose of foreign aid was to help foreign countries recover from the war and restore them into the family of nations in the international economy, then the job has been done, and more than done.

Mr. President, I charge the job has been too well done, because we have not only restored them to a so-called rightful place or position, but we have done so to such an extent that they now far exceed our own Nation in many areas.

There is a story told which appeared in the publication Steel in 1959 entitled "The Case of the Vanishing Taxes." The story was retold in a brief fashion by Walter J. Campbell, editor of Steel magazine, this April before the House Appropriations Subcommittee on Foreign Operations. I now quote this story as it was told to that committee:

> An American steelmaker bid on a contract for ship plates for the Navy. The American producer was underbid by a foreign producer by $37,000. The foreign steelmaker got the contract.
>
> The American steelmaker felt a little frustrated. He asked his accountants and tax experts to figure out how much the company and its employees would have paid in additional Federal income taxes had the American received the contract and processed the plates.
>
> The tax experts came up with this answer. The company and its employees would have paid in direct income taxes $67,000 additional had the American company received the contract.
>
> So the American Government saved $37,000 in purchase price. But it lost $67,000 in direct income taxes, indicating a net loss to the Government of $30,000.

That is not counting all the money that would be put into circulation and the taxes that would be paid on that money time and time and time again.

Mr. President, is this mutual security? Is this what Senators are going to vote to do here today in approving more foreign aid?

The phrase is trite, but it was never so true: "You are going to kill the goose that laid the golden egg."

If I were a foreign government doing business, as well as they are doing today, I would have a lobbyist in Washington asking Congress to cut out foreign aid because, if the balance of trade continues to be so out of balance, to the disfavor of the United States, then this country is going to go broke, internationally speaking, and the source of cash dollars to purchase goods on the international market will vanish into thin air.

We can go broke internationally without going broke nationally, Senators should remember. We can reach a point where we cannot sell our goods to other nations because we have built them up

so much that we will not be able to meet the competition of other countries. That is what we are facing today. I invite the attention of the Senate to that fact. We are continuing to give away money to build up other nations, and to put them upon a higher pedestal in the future.

Most nations of Western Europe are realizing national budgets which are in the black, while we still owe billions and billions and billions for every variety of international welfare program that has been tried since World War I.

We have gone into debt. We have had to raise our debt ceiling during the present Republican administration $30 billion. That is what we have given to foreign countries. It almost balances off dollar for dollar. Every time we give away money we go into the red.

Few people realize that foreign claims on U.S. gold for the first time in history exceeded the gold we have in stock. Liquid assets of foreigners held in the United States readily convertible into claims on U.S. gold at the end of last year were in excess of $23 billion, while our gold stock remained at approximately $19.5 billion.

That is something to think about. Our Treasury is worried about it. I was called upon the other day, and they talked with me. They do not say we should cut out foreign aid, for that is not one of their programs, but they want to cut other appropriations. They want to raise taxes. We still have in effect the taxes which were imposed during the wartime. We cannot cut them when we are running in the red.

As world trade goes more and more out of balance against the favor of the United States, we can expect the picture to continue to reverse. The vulnerability of the American gold position has followed a pattern of downward trend insistently ever since the Marshall plan came into existence in 1948. Everyone will have to acknowledge that.

In 1949 total foreign short-term assets in the United States amounted to $9,757 million, while U.S. gold holdings at year's end amounted to $24,563 million. Each succeeding year thereafter through 1958, foreign short-term assets increased by, roughly, $1 billion a year, while U.S. gold holdings dropped in varying amounts to $20,582 million in 1958. In 1959, of course, foreign short-term assets jumped by $4½ billion, placing us for the the first time in a position of foreign claims exceeding our gold stock.

Mr. President, during the past year the standing of the United States in international finance and foreign competition as a result of several notable developments, became unmistakably clear. Already in 1958 we had suffered a deficit of $3.4 billion in our total or overall foreign account. Then in 1959 this was not only repeated but surpassed. It rose to $3.7 billion. In the 2 years of 1958 and 1959 the United States fell behind by $7 billion in its financial position in relation to the rest of the world.

The balance of gold in Fort Knox dropped to $19.4 billion because of the outflow of some $3.5 billion in gold in the past 2 years. Of course, a $19.4 billion stock of gold does not sound so bad since only $12 billion are required as the legal gold reserve for our currency.

However, the fact is that foreign claimants could pull out more than $16 billion of this gold from Fort Knox should the claimants become so minded. Neither you nor I could draw a single dollar in gold out of those vaults, but foreign claimants have the legal right to do so. Should a run on our gold develop and should all these foreign claims be exercised, we would have something like $3 billion in gold left to back our currency, when we must have $12 billion. This would be about $9 billion less than the legal reserve requirement.

This is not a very comfortable situation for this country. Of course, no one now expects a run on our gold; but if trends continue in the same direction as in the past 10 years the time may soon come when withdrawals of gold will resume and get up a head of steam. With the exception of the single year of 1957, we have run an annual deficit of a billion dollars or more in our foreign account every year in the past 10 years. It was during this period that the huge backlog of claims on war gold was built up. Yet the press and the economists continued to talk about the "dollar gap." Only in 1959 when the deficit continued at the high rate of 1958 did the administration begin to take heed.

They are taking heed now, but not along this particular line I am talking about. They are still giving away money and building up the economies of foreign nations, which are ceasing to purchase from us.

There are several reasons for the deficit. One is our foreign aid; another, our foreign investments. Yet another is our foreign military expenditures, and a fourth is the great increase in imports of recent years. Tourist expenditures abroad also contribute to the deficit. In 1959 our imports of $15.3 billion were over $2 billion higher than in any previous year, including 1957, the previous high. Our exports are down some 20 percent from their 1957 peak. In 1959 our exports just held their own compared with 1958. Imports, on the other hand, were up nearly 20 percent.

Imports from Japan in 1959 were about 50 percent above those of 1958. We became a net importer from Japan for the first time since the war. Imports from Europe rose about 40 percent in 1959 over 1958. For the first time in many years we became a net importer from England. Always in the past, back to the Civil War, we sold more to England than we imported. In 1959 our trade balance with both England and Japan reversed itself against us. Most of these goods were finished manufactures that compete heavily with the output of our own manufactures in our home market. Japanese textiles have already visited havoc on our textile industry. Now textiles are also coming heavily from Hong Kong and other countries.

Mr. President, there is little evidence that this country will be able to reverse the unfavorable balance in the near future. President Eisenhower has sent a message to Congress urging increased efforts to expand our exports, including loosened credit arrangements. Under Secretary of State Douglas Dillion has urged other countries to remove restrictions against our exports. Other countries have also been advised that we expect them to shoulder a part of our economic aid to underdeveloped countries.

The PRESIDING OFFICER (Mr. GORE in the chair). The Senator's time on the bill has expired. Does he yield himself additional time?

Mr. JOHNSTON of South Carolina. I will take some time on my amendment.

The PRESIDING OFFICER. The Senator has 30 minutes in support of his amendment.

Mr. JOHNSTON of South Carolina. Mr. President, this is all very well; but how soon will any of these efforts bear fruit?

I do not readily see how we can expect to increase our exports when we are as much overpriced in relation to other countries as all the evidence indicates. In the case of raw cotton we are overpriced by 8 cents a pound or about 35 percent compared with the world market. In the case of wheat the domestic price is some 60 to 65 cents per bushel above the world price. This is also in the neighborhood of 35 percent.

Look around elsewhere. On Government supply proposals we find foreign bidders underbidding domestic manufacturers from 20 to 40 percent.

That we will have difficulty in expanding our exports because of high production costs is further confirmed by the contention that the proceeds from the Development Loan Fund obtained by India, for example, would fall short by 40 percent in purchasing power if spent in this country as compared with spending them in the rest of the world.

This is a clear indication of the margin by which our prices are above those of other countries. The Washington Post therefore opposed the requirement that the Development Loan Fund should be spent in this country; but in so doing was forced to affirm what many economists and internationalists have denied; namely, that in relation to the low-wage countries of the world we are out-priced on a broad front.

How, then, are we to expand our exports sufficiently to offset the deficit and to pay off the enormous claims against our gold? If the wages of other countries remain as low in comparison with the wages paid in this country it must be clear that with the advantage of growing machanization abroad and the installation of modern machinery, we cannot hope to compete more successfully than now. In the past 12 years we have shipped abroad over $30 billion in up-to-date machinery and equipment. Much of this moved under foreign aid at public expense. This added to our tax burden and was subtracted from the tax burden overseas to the extent that other countries did not have to tax themselves for the purpose of reequipping their plants and mills.

While foreign wages have increased, they have not kept up with the increase

in productivity brought about by the technological advancement. Therefore since productivity advanced much faster in many industries abroad than here, because new machinery installed there meant replacing backward production with modern production, foreign manufacturers increased their competitive advantage. There is no present prospect that foreign labor unions can close the gap. Foreign labor does not have the bargaining power of unions in this country. While foreign wages may continue to go up, so will wages in this country.

Let us suppose that Japanese wages should double in the next 2 years. They might go from 20 or 25 cents an hour to 50 cents. That would be a 100 percent increase; but the wages would still be far below ours. Here a 10 percent wage increase would be equal to a 100 percent increase in Japan. An increase of 25 percent here would be equal to a 100 percent increase in wages in a number of European countries.

Who believes that wages in Japan will rise 100 percent while wages go up only 10 percent here; or that European wages will rise 100 percent while they go up only 25 percent here?

Yet some such ratio of increase would be necessary to make up some of the gap that separates our wage costs from those of other countries. They are using our money to compete with us. In the future the wages abroad would have to rise still more rapidly than ours if their costs are to come within reach of ours so that we could compete successfully. This is the case because foreign productivity is set to rise faster than ours. Every time we ship modern machinery abroad we contribute to this narrowing of our productivity lead. Every time we conduct foreign productivity teams through our factories we do the same thing. In the past recent years we have led upward of 8,000 such teams from abroad through our factories and taught them modern management methods.

Now after some 12 years of this we are surprised to find that we have succeeded in raising productivity abroad in comparison to ours, to the point that we can be outsold at will in almost any part of the world. Why we should be surprised is a mystery, since that was exactly what we set out to do. Evidently we are astounded over our success, and what we have accomplished by our giveaway programs.

But, Mr. President, we cannot continue to go down that road. There has been disappointment over the slow progress of productivity in this country. This is reported to be at the rate of 2½ or 3 percent per year. Of course, if we could import machinery that is far beyond ours in point of automation and output per man-hour and, not having to develop such machinery ourselves, could obtain a large part of it without even having to pay for it and get free instruction on how to install and operate it, as our competitors have been able to get modern machinery from us, I am sure that we could run our percentage of annual growing productivity far above the present rate of 2½ or 3 percent.

As matters stand we have no such possibility anywhere in view. Other countries have been able to draw on us and get our most modern developments. By substituting advanced machinery for backward machinery or for bombed-out equipment, other industrial countries were able in many instances no doubt to double or triple their productivity per man-hour. Yet their wages made no such forward leap.

The future does not hold much hope that the situation will change in our favor. It will get worse. Europe is setting up a mass market. They will get the advantages of mass production. Other industrial countries have inventive genius no less than we. They have highly skilled mechanical workers; and soon they need no longer look to us for modern machinery. They can invent, develop, and produce their own. Our technological monopoly or near monopoly is gone, Mrs. President; but will we have our wage lead?

Already many of our industries, scores or even hundreds of them, are entering into production abroad. They take the money from the United States and go over there and invest it in foreign countries. We cannot blame them if they want to make money. They either establish outright branches, or they buy into foreign concerns or set up subsidiaries or license foreign manufacturers to use our patents and processes. Why? For the simple reason that they can enjoy lower wages abroad and save their export markets. They may open up in Europe and manufacture there instead of shipping from here over there. This will reduce our exports. Then in some cases they will ship to South America, Asia, and Africa from Europe rather than from the United States. Again, this will reduce our exports. In yet other instances they will ship back to the United States, as witness the automobile imports that come from Ford, General Motors, and other American companies in Europe. It is estimated that about 28 percent of the total autmobile imports of 668,000 cars in 1959 were generated by American investments in Europe. The same thing has gotten underway with office machinery, typewriters, calculating machines, and so forth; and also tractors, sewing machines and oil.

Where do wo stand, Mr. President?

Shall we automate in order to reduce unit costs of production? We are automating now. Some textile mills run with few people in attendance. Industries such as steel, automobiles, and others are replacing workers with machines, but other countries can do the same thing and are doing it.

Meanwhile, while modern machinery throws people out of work we have nearly a million new workers coming forward for employment each year in the United States.

Automation is expected to lower prices and lower prices are supposed to increase sales and the increased sales volume is supposed to create new jobs. In the end automation makes more jobs, it is said, than it destroys; and in the long run this is undoubtedly true. If, however, other countries capture an ever-increasing share of our home market this expected expansion in jobs will not take place. We will be driven into a narrower sector of our own home market in industry after industry. The pressure will be relentless and will choke us out of many industries—unless we take steps to do something about it; and it is not too early to start. Indeed, it is already very late.

In many products imports have already captured 10, 20, 30, 40 percent and even over 50 percent of our market in 10 years' time. New penetrations are being made every month. Industries that were not previously greatly affected, including even the mass production industries, are now coming under the hammer. Steel, electronics, office equipment, tile, brass products, cotton and wool garments, shoes, athletic goods, lamb and mutton, beef, shrimp, and many other items are experiencing sharp rises in import competition. There will soon be hardly an industry in this country that will not feel the chill of low-cost import competition. Some of the oldtimers, such as pottery, glassware, hats and millinery, fisheries, lead and zinc, copper, oil, wool, plywood, and others will continue to feel the pressure and can also expect it to rise.

It seems almost incredible that in the face of these developments in recent years, and after having mishandled our tariff structure by 80 percent on the average in the past 25 years, we should be going into another tariff-cutting conference this fall, prepared to reduce tariffs another 20 percent on thousands of items.

This is absolutely senseless in view of the spot in which we already find ourselves. The last thing we need is a further lowering of our tariff. That may sound a little peculiar, coming from the South, but we have worked ourselves into it here in America. Right now we should be doing all within our power to counteract the forces that will overwhelm us if we simply stand still.

What did the wartorn and impoverished countries of Europe do when they found themselves at a disadvantage in the face of the dollar and under the pressure of our exports? Did they sit idly by and see their markets forever lost to them? No. They put into effect a very rigid import system by requiring import licenses before goods could be brought in from abroad. The tobacco growers know about that. The cotton growers know about it. They controlled all imports through exchange controls and did not buy $1 worth of imports that they did not feel to be best for the country. With out help they got back on their feet, thanks to the protective devices they instituted.

Of course, they called protectionism bad names for our consumption, and praised free trade as the best way to get along, although they practiced none of it. They did get back on their feet—something they could not have done had protectionism or restriction of imports been as bad as they told us it was. Now they are relaxing some of these restrictions but they are not throwing them so

far away that they cannot pick them up again very quickly if they need them.

We should be able to learn a lesson from these other countries. We should guard our reserves and protect our employment and standard of living while yet we can against complete disruption from abroad. We should institute such import controls as we need, product by product, after study of the producing industries; and we should try to stop the drainage on our gold.

One of the means by which we halt a part of the drain on our dollars is to require that more of the money that we advance for oversea economic aid should be spent in this country. In this way a good part of the funds we take from the taxpayers would come back to this country. Not only would this result in a smaller drainage on our dollars and thus reduce our foreign deficit by that much; it would increase employment in this country and add to the income of domestic business. This in turn would increase tax collections, and therefore would help to bring our budget more nearly into balance.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from South Carolina may yield to me, without losing his right to the floor, to enable me to make a brief statement.

Mr. JOHNSTON of South Carolina. I yield for that purpose.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum and subsequently withdraw it; and that following the withdrawal of the quorum call, the Senate stand in recess subject to the call of the Chair.

A distinguished former Senator and former President of the United States is in the Capitol. He always enjoys a visit to the Senate. I have talked with Senators on the other side of the aisle, and it is agreeable to them that I suggest the absence of a quorum to notify Senators to come to the Chamber. Then it is planned to have the Senate take a recess subject to the call of the Chair.

It is understood that when the Senate reconvenes, the Senator from South Carolina will be recognized, and that the time taken for these proceedings will not be charged to him.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk procedeed to call the roll.

VISIT TO THE SENATE BY FORMER PRESIDENT TRUMAN

Mr. HOLLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Pursuant to the order previously entered, the Senate will stand in recess, subject to the call of the Chair.

Thereupon, at 2 o'clock and 15 minutes p.m., the Senate took a recess subject to the call of the Chair.

Mr. Truman was escorted to his former seat in the Senate, and he was greeted with prolonged applause, Senators and occupants of the galleries rising.

Mr. JOHNSON of Texas. Mr. President, if I may have the attention of the Senate, I should like to call to the attention of the Members of this body that we have in the Senate Chamber at this moment a most distinguished guest, a distinguished former Senator, and a former President of the United States, who led this Nation through one of the most perilous periods in history, and a man in whom all Democrats take great pride, and whom all Americans are glad to welcome back to this body.

[Applause, Senators rising.]

Mr. President, it is customary, and I hope that custom will not be broken, for the distinguished former Senator from Missouri to make a few remarks to the Senate, and we surely hope he will.

[Applause, Senators rising.]

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). The Chair recognizes the Senator from Missouri. [Laughter.]

Mr. TRUMAN. Mr. President, it is certainly a compliment to me, and one which I highly appreciate, that the Senate would permit me to come back to the floor and to be at the seat which I occupied when I was a Member of this body for 10 years.

I want to say to the leader of the majority that my words occupied less space in the RECORD of the U.S. Senate than those of almost any other Senator. The only times I ever spoke to the Senate were when I had to, and when I had a report to make. Some of the reports were quite thick, so perhaps they might have taken up more space than I think they did in the RECORD.

I am highly appreciative of this honor. I want to say to you, I served in this body for 10 years. I was personally acquainted with every Member of this body at that time. I had the most pleasant period of my whole life here on this floor. Had I been able to have my way on the subject, I never would have left the Senate, and I would give anything in the world if I were back here. [Applause.]

If I were not beyond the age of consent, I would try to do it again. [Laughter.]

You know, I was 50 years old when I came here in 1935. You can do your own figuring. I am too old to start again.

Although I made the announcement downtown yesterday that I had agreed to run for President again, because the constitutional amendment does not apply to me, when I am 90 years old, some "bird" who is always looking up details wrote me a great long letter and told me I could not even do that then, because it is to be an off year. So, you see, I am up against it. [Laughter.]

Thank you. Thank you very much for this privilege. I served here for 10 years. I have been all over this Chamber. I have been in and out of every door, particularly this one on the Democratic side of the Senate Chamber, but also the others, including the one which goes to the Marble Room.

I enjoyed every minute of my service. Thank you from the bottom of my heart.

[Prolonged applause, Senators rising.]

At 2 o'clock and 25 minutes p.m. the Senate reassembled when called to order by the Presiding Officer (Mr. MUSKIE in the chair).

MUTUAL SECURITY ACT OF 1960

The Senate resumed the consideration of the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. JOHNSTON of South Carolina. Mr. President, I was very glad to yield the floor to former President Truman to have the pleasure of meeting with us today. We are glad to have him with us. I know I speak for all Senators when I say that.

Mr. President, I am introducing an amendment which would require that not less than 35 percent of all ICA funds be spent in this country for the purchase of materials, equipment, and supplies. This is a reasonable requirement and would give some benefits to our own economy from the funds which are collected from within it for the benefit of other countries.

I also want to state the purchases are about that amount at the present time; but if the trend continues downward on purchasing from the United States, the total will go far below that amount. This is only a valve to protect a little bit from going any further at the present time.

If it will be objected that this requirement will reduce the purchasing power of the total appropriations because the dollar will not purchase as much here as abroad, this will be further confirmation of the extent to which we are, indeed, at a competitive disadvantage in world markets. Let no one who objects on this ground again arise to deny that we are priced out of foreign markets.

Our whole international competitive situation cries out for a remedy. My amendment will be one step in the right direction.

Mr. President, I send to the desk a table showing the unfavorable changes which have taken place in U.S. gold stock and foreign claims since 1949, and ask that this table be printed as a part of my remarks at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

U.S. gold stock and foreign claims

Year	Total foreign short-term assets in the United States	U.S. gold holdings, year end	Ratio of foreign claims to gold
	Millions	*Millions*	
1949	$9,757	$24,563	39.7
1950	11,715	22,820	51.3
1951	12,099	22,873	52.9
1952	13,598	23,252	58.5
1953	14,476	22,091	65.8
1954	15,857	21,793	72.8
1955	16,970	21,753	78.0
1956	18,268	22,058	82.8
1957	18,593	22,857	81.3
1958	19,597	20,582	95.2
1959	[1] 23,017	19,507	118.0

[1] Estimate.

Source: Federal Reserve Board and U.S. Department of Commerce.

Mr. JOHNSTON of South Carolina. The table shows that the total foreign short-term assets have been increasing year by year since 1949, while the U.S. gold holdings have decreased year by year since 1949.

Mr. President, it does not take a genius to see that the farther we go down the road of foreign aid, or, as some call it, mutual security, the farther down the road to debt and ruination we drift.

Mr. President, today the present cost of foreign aid, including interest on money which we have borrowed to give away, exceeds $10 billion annually.

In 1946, to go back to my speech of that year, I pointed out that many people in the tobacco trade had urged me to vote for the proposed loan to Great Britain on grounds that Great Britain would use some of this money to buy products manufactured from American tobacco, which is grown in South Carolina.

I said at that time that I had no objection to extending credit to Great Britain for the specific purpose of purchasing tobacco, cotton, farm products, manufactured articles, and other things which had source in the United States; but I was opposed then—and I shall oppose now, as I have for the past 15 years—to the giving away of uncontrolled sums of money for uncontrolled purposes.

There was no guarantee when they made the loan in 1946 to Great Britain that any of that money would go to purchase anything made in the United States; there was no guarantee in subsequent years of very much or any of this foreign-aid money that followed being spent in any way beneficial to the United States.

It was, in truth, foreign aid. In fact, to the contrary, much of the money which came under the foreign-aid title was used to stimulate the growth of tobacco in the Mediterranean and African areas, which now is being grown, processed, sold, and manufactured in foreign markets to the distinct disadvantage of the American industry and the tragic harassment of our American tobacco farmers.

So much has this foreign competition disturbed our export picture in tobacco that we had to pass special legislation gearing parity on tobacco crops to the cost of production in an effort to help recapture some of the foreign markets.

I do not know how many times I have taken the Senate floor, how many times I have appeared before congressional hearings, or how many times I have appeared over in the State Department and before the Tariff Commission seeking import quota relief for the textile industries of America.

At no time in the past 7 years has the present administration ever done anything to genuinely help protect America's textile industry from the ravages of cheap, unfair, foreign competition. The influx of foreign cloth goods to this country has been so great that many textile mills have been forced out of business. This is true not only of mills in New England, but also mills in my own State of South Carolina.

The same picture is true in the plywood industry. Plants manufacturing plywood in South Carolina and in other States have been forced out of business, and people have been put out of work because of cheap, foreign competitive products coming into this country under the umbrella of trade relations favorable to foreign countries, and supported by our American dollars exported to those foreign countries under the so-called mutual security program.

A manufacturer can buy the wood in the United States, ship it to Japan, make it into plywood, bring it back, and sell it in the United States at prices lower than those for which plywood made in the United States can be sold.

I know personally of several mills in South Carolina that I am trying to help save today which have been forced into a precarious situation because of foreign competition. The ridiculous picture in the textile industry is that anything grown by American farmers is being sold to foreign textile manufacturers at 8 cents a pound less than the American manufacturer can buy it for. Japan can buy a pound of cotton from the United States at 8 cents less than manufacturers in the United States must pay for it in the United States.

Mr. President, what do we have to do to sustain the friendship of these foreign countries?

Our American soldiers have died on the battlefield to save their democracies and their economies. Our American dollars bought and paid for their war material during World War II. We wiped out their debts from World War I. We broke down our trade barriers to help them sell their products in this country. We have given away billions of dollars in cash to bolster the economies of these countries. We have given them nearly every military secret we have to help them defend themselves.

To help them economically we have kept our armies, our Air Force, and our Navy operating all over the world so that their military budgets would be at a minimum while they recovered from World War II.

Mr. President, if we have not saved these countries after 15 years of all-out support, plus 4 years of wartime support, I doubt if we will ever save them; to the contrary, they will drag us down the hole into which we have tried to keep them from falling.

It was not long ago the Department of State in its zealous support of foreign aid programs, advertised the fact that our foreign aid program consumes only 2 percent of the gross national product.

Mr. President, 2 percent sounds like a small amount, but this 2 percent is about what it takes to make the balance between whether our gold runs to foreign countries abroad or stays home in our Treasury. Two percent of our gross national product is equal, roughly, to 20 percent of our personal Federal income tax.

We have not reduced our income tax. We have the same tax rate in the United States we had during the war. If we could reduce it 20 percent, we could stop this foolishness.

In answer to the State Department's logic that our foreign aid costs us "only 2 percent" of the gross national product, I like to use the answer given by one witness before the House Appropriations Subcommittee on Foreign Operations, who said:

> This 2 percent of our gross national product is as important to our economic health as is the skin on a man's back.

Thus it is easy to see that by stripping away this 2 percent of our gross national product, we may be stripping the skin off the back of our economy.

It is inconceivable to me that, at a time when American business people are desperately trying to maintain foreign markets and keep their heads above water domestically, anyone would come before the Congress and ask for more billions of dollars to be sent abroad under the guise of mutual security.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). The time of the Senator has expired.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to proceed for 5 more minutes on the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. JOHNSTON of South Carolina. Some business people, who are shortsighted, to say the least, argue that foreign aid is good for our economy because much of the money goes to buy products made in the United States. This holds no water with a thinking man because it simply amounts to this:

American taxpayers must find the money with which to buy American products, which must be given away. In boiled-down language it means that a few business men who may make the sales to the international cooperative administration of products for shipment overseas under the mutual security program will benefit, while millions of American taxpayers must foot the bill.

Mr. President, you cannot give away anything in the world. Somebody has to pay for it. When the U.S. Government gives away anything, the American taxpayers are going to have to pay for it. The tragedy about foreign aid is that we not only have to pay for it, but after we pay for it we have to fight against what it has created in order to exist.

Mr. President, for 15 long years I have fought against foreign aid of every form and shape because I knew that none of it would be of any benefit to the United States in the long run. Our day of reckoning has come.

Like someone addicted to a bad habit, we have reached the point in history where we must break away from the giveaway habit or be destroyed by this habit. I realize it is easier for Senators to accept the smoothly worded reasons of necessity given by State Department officials and vote to continue the mutual security "giveaway" program than it is to vote to halt the program abruptly.

I realize it would be an impossibility to expect the Congress to break away from this evil habit of squandering money because it might jar several thousand Fed-

eral employees abroad, shake up a few selfish interests at home which may be profiting from foreign aid, and might battle the foundations of a few well-entrenched foreign politicians. Therefore, my greatest expectation or hope is that the Senate, in lieu of failing to abruptly halt this habit, will reduce the habit to a minimum.

Failing to halt foreign aid will be an unhappy and costly mistake at this period of our history. If we continue foreign aid at the present rate, we will be admitting the only way to keep foreign friendships is to buy them like one would buy a pair of shoes, an automobile, or some other item.

It is time that someone, some people, and some other countries in this world besides Americans begin to sacrifice for freedom, democracy, and economic well-being, as our forefathers sacrificed when this country was born.

If foreign aid is the only "gimmick" American ingenuity can drum up in the field of international relations, then we might as well pack up our bags in the four corners of the world and come back home. We will collapse economically at home trying to hold up the economic frontiers that we now claim to be our responsibility all over this globe.

The Roman empire fell to pieces and capitulated because it was economically impossible for that dynasty to support its military frontiers that stretched around the then known world. Rome taxed its friends and conquered provinces as well as its own people, and yet it still could not afford its farflung flanks.

Mr. President, how in God's name can we expect to maintain our farflung military flanks and at the same time continue to uphold the four corners of the world with American dollars? The time has come for us to vote "No" a thousand times, if necessary, to free the American people from the awesome, endless burden of paying the tab for the food, clothing, housing, and military bills of every nation in the world outside of Russia and Red China.

The longer we linger and wait to break off foreign aid, the harder it will become to take the necessary action. The longer we hesitate, the closer we come to our economic doom.

The mutual security program is a misnomer. It is the most devastating, un-American, self-destructive foreign policy ever generated by any nation in history. Foreign aid, whether you call it mutual security, international socialism, global welfare, or just plain giveaway, is the most diabolically clever method of economic suicide ever conceived in the history of the world. The Congress is playing Russian roulette with America's economic strength in fostering the extension of this program.

What bank would continue to lend money under these circumstances? That is why the interest rates have continued to rise year after year. That is why they are going to continue to rise, not only with respect to the Government, but also for individuals, as long as we continue to operate our business the way we have been operating the business of the Federal Government. We must call a halt.

Mr. President, my amendment is at the desk. We will take it up on Monday, and I shall ask for a rollcall vote at that time. It is temporarily withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I have an amendment at the desk. I ask that it be not read, but printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment ordered to be printed in the RECORD is as follows:

On page 13, beginning with line 22, strike out over through line 11 on page 14.

TIME FOR FEDERAL RESERVE TO STOP RESTRAINT AND LET ECONOMY MOVE AHEAD

Mr. PROXMIRE. Mr. President, it now appears that 1960 is not going to be anything like the boom year that many prognosticators in and out of Government expected for our economy.

Much Government policy, particularly Government monetary—for interest rates—policy, hinges on expectations of the status of our economy. The Federal Reserve Board has persisted in following policies on rediscount rates and open-market operations that reflect a concern that the economy may boom ahead too fast; that is, with employment demand creating labor shortages, factory capacity pressing to the limit, profits, and the stock market prices soaring.

The Federal Reserve policies have had the effect in the judgment of most monetary specialists, of restraining these forces, but what is the situation in which we find ourselves now?

The latest figures on employment from the Bureau of Labor Statistics indicate that unemployment is now higher than it has been in any month since we emerged from the recent recession and higher than the average for any year—including recession years—in this decade. Far from a labor shortage, we have a serious labor surplus—literally millions—demanding and needing work.

Is this a time for more monetary restraint, higher interest rates by the Federal Reserve Board—to throw more millions out of work?

Is factory capacity utilized fully? In autos, machine tools, aircraft, chemicals, and almost any other field one can mention, our factories are far below capacity. Indeed, in some industries a third of the plant facilities are now lying idle. The great bellwether of American industry—steel—which was expected to careen along at near 90 percent of capacity during most of this quarter, is now expected to sink to 75 percent of capacity. Think of it—the record-long steel strike is only a few months over and one-quarter of our steel plant is already idle. Is this a time for more restraint of production by the Federal Reserve Board? Do we want more idle factories?

Are stock prices shooting through the stratosphere? The stock market—that not always clouded crystal ball of economic things to come—seems to be predicting a further industrial torpor. Stock prices are slipping down once again near to the level to which they fell during the mid-December to February 1 toboggan ride. Certainly there is no sign of inflation expectation in the sensitive minds of the men who invest the Nation's equity money. Should the Government follow policies likely to submarine the stock market even further?

There is no question in the minds of outstanding monetary economists, that the policy of keeping the money supply low in relation to the gross national product not only drives up the interest rate, but otherwise puts a restraint on the whole economy.

How about profits? Can we expect them to move ahead?

Mr. President, I call as witness this morning's Wall Street Journal. Profits are one of the best indexes of the health of this free enterprise economy of ours. Let us take a look at what the Nation's leading financial daily says about what we can expect in the way of profits in this second quarter of what many persons expected to be booming 1960.

The Wall Street Journal points out that there are four industrial groups which reported declines in profits for the first quarter compared with a year earlier. They are the aircraft makers, the nonferrous metal and mining companies, the railway equipment producers, and the railroads.

The Wall Street Journal points out that the aircraft group in the second quarter might not show as big a drop from 1959 as the first quarter decline of 38.7 percent, but it seems unlikely to bring in a gain.

The Wall Street Journal also points out that among the metal group in the current quarter better results are likely, perhaps equaling or slightly exceeding those of a year ago, unless the price of copper, now a bit above that of a year ago, falls. So there will be very little difference in the metal group.

The railway equipment makers, according to the Wall Street Journal, expect their profits to be below those of a year ago.

As for the railroads, the Wall Street Journal reports that they showed a decline of 2.1 percent for the first quarter, even though the two biggest, the Pennsylvania Railroad and the New York Central, did better than a year earlier. The Journal indicates, however, that the second quarter for the eastern roads is not likely to be as good as last year's second 3 months, when a presteel strike inventory buildup by steel users expanded traffic. Consequently they expect the railroads to show lower profits.

This great financial daily goes on to relate:

More important even than these, however, is the prospect that overall corporate profits in the second quarter may not equal those of a year earlier.

With respect to steel and other industries, the Wall Street Journal notes that the steelmakers, as I said a moment ago, expect production to decline below 75 percent before the current period is over.

In the auto field, according to the Wall Street Journal, the outlook is for a sec-

ond quarter earnings decline, even though General Motors seems likely to hold its own.

In building materials, the second quarter earnings most likely will not be above the like period of a year ago.

Chemical producers expect to equal or slightly exceed the profits of a year ago in the second quarter.

Drug manufacturers, for the most part, look for a continuation of small increases in earnings over 1959 following a first quarter gain of 9.2 percent.

Electrical equipment makers may do about as well this quarter as a year ago.

Food producers: Packers of grocery products appear to be extending the substantial gains made last year and also in the first quarter, but some outstanding leaders in the industry say it may not necessarily hold true for the year as a whole.

Oil company earnings for the second quarter, particularly companies with large domestic operations and companies with more refining than producing business, are unlikely to do as well as a year ago because of weak prices for products.

It is that way all along the line.

Mr. President, this does not sound like the kind of situation in which the Nation's money managers should continue to hike rediscount rates and sell Government obligations, thereby tightening the supply of money, boosting interest rates higher and higher, discouraging an already slumping housing industry, and tightening this economy of ours in a vise of restraint.

Mr. HARTKE. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. HARTKE. The Senator from Wisconsin has a wonderful message for the Senate and for the people of the United States. I think it is high time this matter was brought to the attention of the people of the country.

Mr. PROXMIRE. I thank the Senator from Indiana.

Mr. President, I say it is time for a long, hard look by our money managers. Let them carefully consider buying Government obligations, lowering the rediscount rate as soon as possible, and moving ahead. This is 1960, when 4 million Americans are out of work. It seems to me that at such a time, when we are concerned with the very serious challenge from Russian communism, we should reappraise our economic policies and recognize that we can move ahead and do so without the expansion of the money supply, which would result in inflation.

The fact is that the theory of monetary management is very simple and is widely accepted. It is true that by expanding the money supply in relationship to the gross national product—the money supply, of course, being currency and demand deposits—there is a tendency for interest rates to drop. There is a tendency for business to borrow. There is a tendency for people to build more homes. All those things can be inflationary and ill advised if there is a shortage of labor, a shortage of factory facilities, and a shortage of facilities for making steel and other building materials.

But at a time when there is a surplus of labor and a surplus of factory capacity, it seems to me that it is exceedingly unwise to follow a policy of restraint, which puts the screws on the economy. It seems to me that the lead article in the Wall Street Journal this morning is eloquent testimony as to why the Nation's money managers should reconsider their monetary policy.

Mr. President, I ask unanimous consent that the article entitled "Profits Likely To Slip to 1959 Level or Below in Current Quarter" be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 29, 1960]

EARNINGS SLOWDOWN—PROFITS LIKELY TO SLIP TO 1959 LEVEL OR BELOW IN CURRENT QUARTER—STEEL, AUTO FIRMS EXPECTED TO TRAIL YEAR AGO—TREND MAY CUT FEDERAL SURPLUS—REPORT ON 389 CORPORATIONS

Corporate profits in the first quarter exceeded those of a year earlier but are likely to slip back to the 1959 level or lower in the second quarter.

Those conclusions emerge from a Wall Street Journal's survey of early earnings reports for the first 3 months and of profits prospects for the current quarter.

In the first quarter, 389 companies earned $2,128 million, an increase of 6.6 percent from their aggregate profits in the first 3 months of 1959. Of 22 groups divided according to industries, only 4 recorded year-to-year declines in profits. But only two, the textile group and the tool and machinery division, achieved gains of 20 percent or more. Among the rest, the largest increase was 10.9 percent, for food products.

EFFECT ON FEDERAL BUDGET

The generally narrow improvement for 1960 so far over 1959, and the prospect that there may be no gain at all in the second quarter, add up to less than full support for the Federal Government's hope of a $4.2 billion budget surplus in the fiscal year that will start July 1. Corporate income tax collections for that fiscal year will come from earnings in calendar 1960. When President Eisenhower in January announced his budget for the approaching fiscal year, his revenue projections were based in part on an estimate that in 1960 corporation earnings before taxes would total $51 billion.

If the 6.6 percent first-quarter increase for the companies in the survey holds for all U.S. corporations, which earned at an estimated annual rate of $46.5 billion in the first quarter of 1959, their first 1960 quarter rate will turn out to be $49.5 billion.

And if second-quarter profits are almost, but not quite, equal to those of a year earlier they'll be at the annual rate of $52 billion. Averaging the first- and second-quarter figures produces an annual rate of pretax corporate profit for the first half of $50.7 billion, or very close to the $51 billion which the budget counts on for the full year 1960. With the corporate tax rate at 52 percent except for small companies, each dollar of pretax corporate profit, of course, means about 50 cents of Federal income tax revenue.

The four industrial groups reporting declines in profits for the first quarter from a year earlier were the aircraft makers, the nonferrous metal and mining companies, the railway equipment producers, and the railroads. The aircraft group in the second quarter might not show as big a drop from 1959 as the first-quarter decline of 38.7 percent, but it seems unlikely to bring in a gain. Douglas Aircraft, which lost money in the first quarter, expects to be barely in the black in the second, and United Aircraft expects to continue to earn somewhat less the rest of this year than last year, its first-quarter drop having been about 17 percent.

COPPER STRIKES HIT PROFITS

Among the metal group, the 8.9 percent decline in the first quarter from 1959 was due largely to strikes in the copper industry, which more than offset the effect of a somewhat higher price. In the current quarter, better results are likely, perhaps equaling or slightly exceeding those of a year ago, unless the price of copper, now a bit above a year ago, falls.

Among railway equipment makers, the 10.6 percent drop from 1959 in the first quarter was caused almost wholly by a decline in Budd Co.'s earnings. Budd's decline stemmed largely from purchases of high-cost steel following last year's steel strike. For the second quarter, this Philadelphia company still does not expect earnings to equal the like 1959 period. Another concern in the same field, American Steel Foundries in Chicago, expects earnings in the current period to be "substantially the same, maybe slightly ahead of 1959," according to Joseph B. Lanterman, president. A small gain would repeat the first quarter's experience.

As for the railroads, they turned in a decline of 2.1 percent for the first quarter even though the two biggest, Pennsylvania Railroad and New York Central, did better than a year earlier. However, the second quarter for the eastern roads isn't likely to be as good as last year's second 3 months, when a pre-steel-strike inventory buildup by steel users expanded traffic. Carloadings for the Nation as a whole recently have been running under those of a year ago.

STEEL, AUTO EARNINGS MAY BE DOWN

More important even than these, however, in the prospect that overall corporate profits in the second quarter may not equal those of a year earlier, is the position of the steel and auto industries. The steel makers as a group earned 9.8 percent more in the first quarter than a year earlier, with production averaging 93.8 percent of capacity against 83.8 percent a year earlier. Now, however, production is slightly under 80 percent, compared with an average of 91.8 percent for the second quarter of 1959, and it threatens to fall below 75 percent before the current period is over.

Furthermore, even though production in the first quarter was slightly higher than in last year's second quarter, the earnings of most steel producers were somewhat less. The main reason is the wage costs are up following the strike, while prices aren't. Thus, a substantial drop from a year earlier in second quarter earnings is strongly indicated.

In the auto field the outlook is for a second quarter earnings decline, even though General Motors seems likely to hold its own. General Motors, whose first quarter was a record, is experiencing strong demand for its big cars this year, with the compact Corvair accounting for only 8 percent of its auto output. The compacts, of course, are less profitable than the bigger models. Furthermore, General Motor's production this quarter looks as if it might exceed a year ago by perhaps 5 percent.

But Ford, which earned 6 percent more in the first quarter than a year earlier, probably won't do as well as a year ago in the second. Production may be close to last year's level in number of cars, but almost 50 percent of Ford's output is now in compacts. Chrysler likewise is feeling the profit squeeze from the compacts, and Studebaker-Packard's Lark is suffering from the competition of the other makers' compacts. Only American Motors, which expects to produce 140,000 cars against

tests, but even this was conditional on agreement to many other disarmament steps, including the important one cited to the Japanese by Dulles. The Russians, however, would not be swayed from what had begun as a "ban the bomb" campaign in the mid-1950's. They demanded that the testing issue be separated from other arms control measures. This the United States, strongly resisted, although at one time Harold Stassen, then the President's disarmament adviser, leaned toward the idea of a test ban alone. Stassen correctly saw that the three nuclear powers—the French were then still 3 years away from their first test—shared a common interest in preventing other nations from going into the nuclear-weapons business and that a test ban might well bring enough world pressure to do just that. That, of course, is still one of the chief aims of the United States and Britain and presumably of the Soviet Union as well.

UNTYING THE PACKAGE

What brought the United States around to separating the test-ban issue from other arms-control measures was the Soviet announcement on March 31, 1958, that it was suspending its tests. The State Department immediately greeted the announcement with some harsh words: It noted that the suspension came at the conclusion of "an intense series of secret Soviet tests," and it said the West could not rely "on a Soviet statement of intentions for which there is no system of verification, which can be evaded in secrecy and altered at will."

Nonetheless, the Soviet move put a new pressure on the United States, one that Secretary Dulles found irresistible. Adm. Lewis Strauss, then the embattled Chairman of the Atomic Energy Commission and long a public foe of a test ban, fought tooth and nail against any counterproposal from the United States.

In this he was backed by Donald Quarles, then Deputy Defense Secretary, to whom Secretary McElroy deferred on this issue. Quarles agreed with Strauss, arguing that further testing was essential for weapons development and that a test ban, should it last 2 years or more, would result in a breakup of the American nuclear scientific community gathered together by the Government. With no tests to check their work, scientists would drift away to private industry, he argued.

But Secretary Dulles was the strong man on this issue. He sat down in August 1958, and wrote out a statement for the President prosposing a year's test suspension, tied only vaguely to "satisfactory progress" on disarmament measures. This was the beginning of the end of the package as American policy.

By the time Secretary Dulles wrote the Eisenhower proposal, McCone had succeeded Strauss. He, too, fought it but to no avail. What made the proposal possible was the agreement, announced the day before, of the Soviet-American-British experts at Geneva on a scheme for an international detection and control system. Few here had thought the Soviets would ever agree, but they did. Dulles saw this as assuring a real control system and he recommended that the President act on it. Eisenhower did.

But that was not the end of the matter. It turned out that the Geneva experts had had few technical data on underground testing on which to base their system, chiefly from the single Ranier test in Nevada some months earlier. Nevertheless, on this basis they constructed a system they said would be adequate to check suspected explosions down to 1 to 5 kilotons. They called for 160 to 170 detection-control stations around the world, some on ships, with a start to be made in the territory of the three nuclear powers—thus avoiding the touchy issue of China for the time being.

Strauss' chief ally in opposing a test ban was physicist Edward Teller, so-called father of the H-bomb. He took the position that disarmament in any form was a lost cause, and he fought against any limitations on testing. If he and Strauss had been cleverer, they would have agreed to a ban on above-ground tests, thus meeting the fallout health issue and relieving the pressure on Secretary Dulles from the British as well as from the Japanese, the Indians, and others. But they were stubborn. And so when Dulles, acting on the experts' report, suggested a year's suspension of testing, he included all testing. Ever since then, the United States has been trying to find some way to wriggle out of this agreement.

The reason for the wriggling was this: In the fall of 1958 the United States conducted its latest round of nuclear tests in Nevada, including some underground shots. Teller was in charge of these latter shots, and from them he came up with data to prove the earlier Ranier data erroneous: That the proposed detection system was inadequate, that the Soviets could cheat on such a system because it was easier than the experts had thought to hide deep underground tests. He had wide scientific agreement, including most importantly the opinion of Hans Bethe, a nuclear physicist of equal rank. It was on the basis of this new evidence that the President altered his total test-ban offer to suggest that unless the Soviets would agree to a detection system improved beyond that recommended by the experts, it would be better first to ban aboveground tests alone. But the Soviets would never let the United States off the hook.

NEW ADVICE

Bethe has played a key role in the whole internal administration controversy. Before the Eisenhower ban proposal of August 1958 the President had become so tired of hearing the arguments over possible Soviet cheating that he had asked his sicentific adviser, then James R. Killian, to get him a definitive answer. Killian had been appointed in the wake of the first Soviet sputnik, and for the first time there was in the White House an alternative to Strauss as the source of scientific advice.

Killian named Bethe to head a special panel. The panel concluded that a test ban was a reasonable risk, and Bethe testified before Senator HUBERT HUMPHREY'S disarmament Subcommittee that he favored a test ban not tied to any other arms-control measure. He also said that to stop tests would be to America's advantage because of this Nation's technical lead in nuclear weaponry. The same day he testified—some 2 weeks after the Soviet test suspension—Strauss also testified. He said that to stop tests would be "a tragic mistake" which would leave the United States with "obsolete and obsolescent weapons systems" and which undoubtedly would "freeze our defensive research."

But the President accepted the Killian-Bethe report, which Dulles also found reassuring. Strauss' monopoly at the White House had been broken. Teller has kept on fighting the test ban ever since, but his battle has become a rearguard action; the administration has gone too far to retreat. Bethe, too, has kept at it from the other side, working now with Kistiakowsky, Killian's successor, and thus isolating McCone as Strauss was isolated within the administration.

Once the President did offer the test suspension, which took effect when the current Geneva test-ban treaty talks began October 31, 1958, administration officials had to hew to the line. The opposition in both the AEC and the Pentagon kept saying, however, that the ban depended on adequate inspection and control which the Soviets would never accept.

With the death of Quarles the Pentagon opposition began to soften. Gates succeeded Quarles, and after Herter succeeded Dulles, Gates and Herter saw more eye to eye. The high point came in the Committee of Principals meeting on March 22, when Douglas presented the Pentagon's view in Gates' absence.

Herter is far from the dominant administration figure that Dulles was, but in the internal quarrels he has generally favored banning tests. He is convinced that a ban is worth while because such an agreement does not involve a fundamental national security risk (as would be the case with dismantling missiles or nuclear weapons themselves). He also accepts the Stassen thesis that there is a common United States-British-Soviet interest in trying to limit the membership of the nuclear club. He knows that Communist China must eventually be brought into any test-ban agreement, and he is not unaware that to do so will require a change in American attitudes toward the Peiping government. But that headache will face the next administration, not this one.

Secretary Dulles once said he felt there was perhaps a 10-percent chance of agreement on a ban. If so, he said, he was prepared to go through with it. Perhaps the chances are now higher than 10 percent—some in Washington now think they are better than 50–50—but there are bound to be many more difficulties before the signatures are affixed to a treaty.

President Eisenhower has said that some of the remaining unsettled treaty points might be resolved at the summit conference, opening in Paris on May 16. From all appearances, this is the Soviet aim as part of Nikita Khrushchev's top-level diplomacy combined with propaganda. Herter lately has been hinting to the Soviets that they can hardly expect progress on a test ban at the summit if they are going to create a new crisis there over Berlin. This tactic is itself a measure of the belief here that Khrushchev really wants a test ban and is prepared to agree to an adequate inspection and control system.

As to the issue of Senate ratification of such a treaty, a number of important Senators have been quite leery. But as one of them recently put it, once the President puts the weight of his Office behind a treaty, not to mention the worldwide pressure it will generate, to vote against it would be "like voting for cancer."

MUTUAL SECURITY ACT OF 1960

The Senate resumed the consideration of the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. PROXMIRE. Mr. President, before I withdraw my amendment, I ask unanimous consent that after I withdraw it, I may suggest the absence of a quorum, and that there may be a quorum call, without having the time required for it charged to the time available to either side under the unanimous-consent agreement.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Is there objection? Without objection, it is so ordered.

Mr. PROXMIRE. Then, Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment of the Senator from Wisconsin is withdrawn.

Mr. PROXMIRE. Mr. President, at this time I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FULBRIGHT. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the end of section 2 it is proposed to insert the following:

(g) In giving effect to the principles expressed in subsection (f) above, the President should not normally regard them as applicable to a situation wherein two or more nations receiving assistance under this Act or surpluses under the Agricultural Trade Development and Assistance Act of 1954, as amended, are engaged in actions detrimental to United Nations efforts to maintain peace and stability, and application of the above-mentioned principles would in the judgment of the President constitute partiality by the United States relating to the merits of the cause advanced by any one of the antagonists.

The PRESIDING OFFICER. How much time does the Senator from Arkansas yield to himself on the amendment?

Mr. FULBRIGHT. Ten minutes.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 10 minutes.

Mr. FULBRIGHT. Mr. President, last night the Senate, by a substantial majority, adopted an amendment to the Mutual Security Act which amounts to political coercion by the United States on behalf of one side to the long-smoldering Arab-Israeli dispute. This amendment contemplates that the President is to use the Mutual Security Act as a club to force the United Arab Republic to open the Suez Canal to Israeli shipping.

The principal reason this amendment was offered was not because of the overall good of the United States, but because of the existence of a pressure group in the United States which seeks to inject the Arab-Israeli dispute into domestic politics. The amendment would not in fact contribute to the reopening of the canal to Israeli shipping, but would, on the contrary, tend to prevent the achievement of this desirable objective—an objective which officials of the United Nations and of our own Government are pursuing, I think, with as much attention and perseverance as they possibly can.

This amendment and recent economic coercion to prevent the unloading of an Arab ship in New York are part of a pattern which I find disastrous in the functioning of our constitutional system.

In what is probably the most delicate international situation which exists in the world today, 180 million Americans find their foreign policy being whipsawed by an irresponsible maritime union and by a minority pressure group.

The President cannot conduct our foreign policy in the Middle East under these circumstances. That policy is being directed by minority pressure groups.

But the problem I would address myself to briefly is broader. It is the problem of the development in this Nation of organized groups which bring into American political life the feuds and emotions that are part of the political conflicts of foreign nations. This is one of the things our Founding Fathers come here to avoid when they created this Nation.

Just as we have witnessed the success of one group in forcing an amendment into the Mutual Security Act, we see other groups trying to force the President to tailor the summit agenda to satisfy other ethnic groups. There is no end to this.

Mr. President, this Nation has welcomed millions of immigrants from abroad. In the 19th century we were called the melting pot, and we were proud of that description. It meant that there came to this land people of diverse creeds, colors, and races. These immigrants became good Americans, and their ethnic or religious origins were of secondary importance.

But in recent years we have seen the rise of organizations dedicated apparently not to America, but to foreign states and groups. The conduct of a foreign policy for America has been seriously compromised by this development.

We can survive this development, Mr. President, only if our political institutions—and the Senate in particular—retain their objectivity and their independence so that they can serve all Americans.

Our constitutional system is such that we do not expect Senators from Florida to vote against oranges, or Senators from the wheat belt to vote against wheat, or Senators from maritime States to vote against maritime interests, or even for Congressmen from predominately ethnic districts to vote against their special groups.

The point is that the Senate, with its special representation drawn two from each State, and serving 6-year terms of office, is expected to be able to override sectional and special interests in order to serve the Nation as a whole. This is especially so in foreign relations. The Senate by the Constitution is given responsibility in this field different from that of the other body.

Our system of government will not work if the unity which has generally characterized this Nation in support of a foreign policy for all Americans is to be destroyed by lobbies and pressures that become so influential and all-pervasive that the Senate's freedom of choice is lost.

The very amendment which was added to this bill last night in the Senate, and last week in the other body, has also, in committee, been tacked on to the President's recommendation that we create an International Development Association. The Banking and Currency Committee of the other body has voted substantially the same language in the IDA bill now before it. It has not yet been reported, but that language has been voted into the bill in committee, and I am informed that the bill is not likely to be reported if that amendment stays in the bill. Should this consequence flow from the pressure of a small group interested in putting the United States on the side of the Israelis in the Suez dispute, our national effort to get other states to join with us in helping newly developing territories will have been sabotaged from within our own Government.

This is particularly disappointing, because our own Government originated the concept of IDA. In fact, it originated it in the Banking and Currency Committee and the Foreign Relations Committee of the Senate and, in my opinion, is an extremely hopeful organization.

We have already seen what has happened when certain unions in New York—and more recently in Montreal—have refused to handle the cargo of a United Arab Republic vessel. The UAR has responded by instructing its coastal wireless stations to cut their contact with all American ships. And this morning we are informed that the President of the American Merchant Marine Institute, representing 70 percent of the oceangoing merchant marine, has pointed out to the Secretary of States that our industry is being seriously hurt by the action of the unions. This kind of retaliation can result only in political and economic chaos for all concerned.

Mr. President, the foreign policy of the United States is too important to our total national security for it to become the instrument of minorities whose lobbyists stand outside the Chambers of the Congress to persuade the members to follow courses of action beneficial to special interests but with potentially catastrophic consequences for the Nation as a whole.

Mr. President, I wish to insert in the RECORD an article from the New York Times, entitled "Harm Seen in Picketing," by Werner Bamberger, which discusses the ramifications, the wide-ranging problems, that are already beginning to result from the boycotting of the UAR ship in New York Harbor. One curious thing, in view of the long discussion we had on yesterday of the 50–50 shipping clause as it applied in that case to the Indus River Basin, is reflected in this area—not with regard to the Indus River Basin, but with regard to the overall application of the 50–50 clause in the existing legislation, which is still in the law and has been throughout all the years it has been in existence. I draw attention to one paragraph of this article:

Also reported was the reluctance of American tramp shipowners to submit bids to carry Government surplus grain to the UAR. Half the transportation of these Government-aid cargoes is reserved by law to U.S.-flag ships. These shipments have been the mainstay recently of the sorely depressed U.S.-flag tramp fleet.

That is just another instance of the very evil effects that arise from various groups taking into their own hands the responsibility for trying to correct matters, difficulties, and conflicts that are arising in various parts of the world. I do not think anybody in this body, or anywhere else, does not desire that the Suez Canal be opened for all shipping,

including Israeli shipping; but I submit this is not the right way to do it. In fact, this kind of action on the part of the unions will accomplish exactly the opposite purpose.

Mr. President, I ask unanimous consent that the entire article from which I read appear in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 29, 1960]

HARM SEEN IN PICKETING

(By Werner Bamberger)

A spokesman for U.S. shipping told the State Department yesterday that all segments of the American maritime industry are being seriously hurt by the picketing here of the *Cleopatra*, a United Arab Republic ship.

Ralph E. Casey, president of the American Merchant Marine Institute, said that there was every prospect that the situation would deteriorate rapidly in the next 24 hours unless the picket line, maintained by the Seafarers International Union and the International Longshoremen's Association, was removed.

Mr. Casey, in a telegram to Secretary of State Christian A. Herter said that although the industry deplored the unions' action it found itself in sympathy with certain underlying reasons for the picketing as stated by the unions.

The institute represents 70 percent of the oceangoing American merchant marine. Its membership includes operators of passenger ships, cargo vessels, and tankers.

ASKS VIGOROUS STEPS

Mr. Casey urged the State Department to take vigorous steps to reaffirm such principles of U.S. foreign policy as freedom of the seas, freedom from discriminatory action by foreign countries in international trade, and the proper treatment of U.S. citizens abroad.

The *Cleopatra* has been idle at pier 16, East River, since April 13. The unions have been protesting the blacklisting by the UAR of U.S. ships that have traded with Israel and the resultant loss of job opportunities for union members.

Legal action to lift the picket line awaits a ruling by a Federal appeals court here. The court reserved decision on Wednesday on a lower court ruling denying a request for an injunction by the owners of the ship, the Khedivial Mail Line of Alexandria.

With a retaliatory boycott threatened in Arab ports, shipping sources here reported the shifting of some cargoes destined for the UAR, Lebanon, and Jordan from U.S.-flag ships to foreign vessels trading to the Eastern Mediterranean.

Also reported was the reluctance of American tramp shipowners to submit bids to carry Government surplus grain to the UAR. Half the transportation of these Government-aid cargoes is reserved by law to U.S.-flag ships. These shipments have been the mainstay recently of the sorely depressed U.S.-flag tramp fleet.

DEAN STATEMENT ASSAILED

The SIU, meanwhile, took sharp exception yesterday to a statement made in Geneva on Tuesday by Arthur H. Dean, leader of the U.S. delegation to the United Nations Conference on the Law of the Sea.

Mr. FULBRIGHT. Mr. President, there has come to my attention some information that just came in over the wire, which reads in part as follows:

Twenty thousand dockworkers in 20 Arab ports will begin a boycott of American ships at midnight (6 p.m. eastern daylight time) tonight unless American unions stop picketing the United Arab Republic ship *Cleopatra* in New York, an Arab union source said.

I ask unanimous consent that the whole dispatch be printed in the RECORD at this point. I have read the essence of it. I deplore this kind of retaliation. One thing leads to another, and I can see no end to this tendency, if it continues.

There being no objection, the news dispatch was ordered to be printed in the RECORD, as follows:

CAIRO.—Twenty thousand dockworkers in 20 Arab ports will begin a boycott of American ships at midnight (6 p.m. e.d.t) tonight unless American unions stop picketing the United Arab Republic ship *Cleopatra* in New York, an Arab union source said.

The Seafarers International Union has been picketing the *Cleopatra* since April 13 to protest the Arab nations' boycott of American ships trading with Israel. The International Longshoremen's Association has refused to cross the picket lines to unload the vessel.

"The Arab world from the Atlantic Ocean to the Persian Gulf is ready to join the boycott," a source at the International Confederation of Arab Trade Unions said.

Mooring boat and searchlight crews on the Suez Canal will be excluded from the boycott so that American ship passage through the canal will not be affected.

But in all Arab ports covered by the union, U.S. ships will be refused unloading, loading, fuel, repair, food, and dock facilities.

NEW YORK.—Picketing of the only two United Arab Republic ships in North American ports went ahead today in the face of an Arab threat to begin a boycott of all American ships.

The owners of the UAR freighter *Cleopatra* failed yesterday to get a court order removing a 2-week-old union picket line that has prevented loading the ship at its pier here. A picket line at Montreal failed, however, to prevent unloading of the UAR freighter *Star of Assuan*.

Mr. FULBRIGHT. Mr. President, the amendment which I have sent to the desk, which I hope the Senate will adopt, in view of the amendment which was adopted yesterday, I hope will bring the situation a little more into balance, to indicate that while we do regret that there is this conflict in the Middle East, which has led to obstruction to passage in the canal, at the same time we also feel that the other side of these disputes deserves impartial, dispassionate consideration, and that by the adoption of the amendment yesterday we did not intend in this body to usurp the functions of our executive branch by trying to settle the differences which exist in that very difficult area of the world.

I assume, under the situation which prevails in the Senate, there would be a demand for a yea and nay vote. I assume there is no use in asking for it now, although I am perfectly willing to have the matter voted on now. I assume the amendment deserves consideration over night, so I will say I expect to call it up, under the ruling, on Monday for discussion and for voting. In the meantime, I think the Members will agree, if they will read the amendment, that it is only a very modest effort to try to bring the language which was put in the bill last night into a better perspective.

The PRESIDING OFFICER. The time of the Senator from Arkansas has expired.

Mr. KEATING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. KEATING. Surely.

Mr. FULBRIGHT. Mr. President, since we are operating under a unanimous-consent agreement. I think it would be proper, if it is agreeable with the Members on the other side, to ask unanimous consent that there be a yea-and-nay vote on this amendment on Monday, without going through the routine which we agreed to. Is that agreeable?

Mr. DIRKSEN. I think so.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and the yeas and nays are ordered on the amendment.

Mr. KEATING. Mr. President——

The PRESIDING OFFICER. The Senator from New York is recognized. How much time does the Senator from Illinois yield?

Mr. KEATING. I should like to have 5 minutes.

Mr. DIRKSEN. Mr. President, I yield 5 minutes.

Mr. KEATING. This is not necessarily in opposition.

The PRESIDING OFFICER. Is it 5 minutes from the time on the bill?

Mr. KEATING. On the amendment, in opposition.

Mr. DIRKSEN. The Senator would have his own time on that.

Mr. FULBRIGHT. Mr. President, does the Senator from New York have a copy of the amendment?

Mr. KEATING. No. I was shown a copy, and then it was whisked away. Therefore, I have not had an opportunity to study it.

I am not necessarily opposed to the amendment. I should like to have an opportunity to look it over. I think also that the distinguished Senator from Illinois [Mr. DOUGLAS], who is the principal sponsor of the amendment which was agreed to, and who is known to be in Illinois today, should have an opportunity to be heard.

Perhaps it would not be unreasonable to ask that the Senator from Illinois be heard for more than 2½ or 3 minutes, possibly for as much as 5 minutes. I think that is not an undue request. We are confronted with the parliamentary situation which prevails. We must exhaust at this moment any time in opposition.

Mr. President, I now have a copy of the amendment before me. I should like to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KEATING. The Senate yesterday by a generous vote adopted the exact language which is in the House bill, which presumably will go to the confer-

ence between the House and the Senate. In conference would it be possible for the conferees, if this amendment or any additional language is agreed to, to agree to the elimination of this phraseology completely?

The PRESIDING OFFICER. If the Senate strikes out all after the enacting clause and substitutes a new bill, the conferees will then have before them two separate bills.

The Chair will state further that to the extent there are identical sections in the two bills, there will be no differences for the conferees to compromise. As to the provisions which are different, there will be a basis for compromise.

Mr. KEATING. Therefore, since there is a part of this amendment which is identical in both the House bill and the Senate bill, it would not be possible for the conferees to bring back to the Senate nothing whatever relating to this statement of principles?

The PRESIDING OFFICER. In such an event the action of the conferees would be subject to a point of order.

Mr. KEATING. I thank the Chair.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

Mr. KEATING. I yield for that purpose.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. Since the language which was adopted in the so-called Douglas amendment is identical with the language in the House bill, that language would not be in conference.

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. Second, this is addenda or additional language, and a variety of things could happen to this additional language. The language could be rejected entirely by the conferees; it could be modified by the conferees; or it could be adopted in toto by the conferees. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. KEATING. I am very grateful to the distinguished minority leader for clarifying the matter.

Mr. President, I ask unanimous consent that notwithstanding the existing unanimous-consent agreement, and in consonance with it, the distinguished Senator from Illinois [Mr. DOUGLAS] and I each be permitted to have 5 minutes under the time for general debate with regard to this amendment on Monday.

Mr. FULBRIGHT. Mr. President, reserving the right to object, it is my understanding that the 2 hours' time on the bill is at the disposal of the leadership.

Mr. DIRKSEN. That is correct.

Mr. FULBRIGHT. I have no objection to the request, actually, in the sense in which it is proposed, but I think there is no need for the request. I hesitate to open the door to every Senator for the making of similar requests. I think the Senator can be given assurance he will have 5 minutes.

Mr. DIRKSEN. Mr. President, if the request is withdrawn, I assure my friend from New York now that both he and my colleague from Illinois will be given 5 minutes from the time allocated on the bill.

Mr. FULBRIGHT. I think that was the understanding, and it is why we provided the 2 hours' time on the bill.

Mr. KEATING. That will be perpectly adequate. I thank the Senator.

The PRESIDING OFFICER. The Chair would like to supplement the statement made in answer to the parliamentary inquiry propounded by the Senator from New York.

If the conferees should bring the matter back to the Senate, and no point of order were raised, the revised version as to which the Senator from New York made inquiry could prevail.

Mr. KEATING. Would any such revision not have to be limited to the language now offered by the distinguished Senator from Arkansas? Would it be open to the conferees to revise in any way the language of the two bills as they stand as of this moment?

The PRESIDING OFFICER. If the conferees should report to the Senate a version inconsistent with the ruling the Chair has already made, the point could be raised by a point of order. If the point of order were not raised——

Mr. KEATING. But the point of order would be sustained if it were raised.

The PRESIDING OFFICER. The Senator is correct.

Mr. FULBRIGHT. Mr. President, I send to the desk another amendment, and ask unanimous consent that a statement I have prepared explaining it be inserted in the RECORD at this point, and that the amendment be printed in the RECORD. I ask unanimous consent that it be subject to the same order previously entered, to be voted upon Monday. There is no point in discussing it today.

The PRESIDING OFFICER. Is the Senator requesting that the yeas and nays be ordered?

Mr. FULBRIGHT. Yes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

The amendment and statement were ordered to be printed in the RECORD, as follows:

On page 18, end of line 13, insert the following:

"It is the sense of the Congress that the refugees wishing to return to their homes and live at peace with their neighbors should be permitted to do so at the earliest practicable date, and that compensation should be paid for the property of those choosing not to return and for loss of or damage to property which, under principles of international law or in equity, should be made good by the governments or authorities responsible."

STATEMENT BY MR. FULBRIGHT

The language of this amendment following the phrase "it is the sense of the Congress" has been taken verbatim from paragraph 11 of Resolution 194, which was adopted by the U.N. General Assembly on December 11, 1948.

This paragraph has been specifically reaffirmed by a substantial majority of the members of every succeeding session of the General Assembly, including the last one. In some instances, the motion to reaffirm was approved by a voice vote.

In the last session of the U.N. General Assembly, the motion to reaffirm appeared as paragraph 4 in Resolution 1456. It "requests (the word 'request' was underlined) the United Nations Conciliation Commission for Palestine to make further efforts to secure the implementation of paragraph 11 of General Assembly Resolution 194."

Resolution 1456, reaffirming paragraph 11, the paragraph quoted here in my amendment, passed the General Assembly by a vote of 80 to 0, with Israel abstaining. I should add that the United States has faithfully supported each and every motion to reaffirm paragraph 11 of Resolution 194.

World opinion has always supported the principle of repatriation. It has been endorsed by our leading statesmen.

President Truman, in a White House news conference, urged Israel to take back a "certain number" of the refugees. And in 1949 he sent a stiff note to Prime Minister Ben Gurion, expressing deep disappointment at the refusal of Israel to make any of the desired concessions on refugees or boundaries at the Lausanne conferences, and interpreting Israel's attitude as dangerous to peace and in opposition to U.N. General Assembly resolutions.

In August of 1955, Secretary of State Dulles made a major policy statement before the Council on Foreign Relations, in which he tried to advance the case for repatriation of Arab refugees. He noted, by the way, that he was speaking "with the authority of President Eisenhower." He said this:

"To end the plight of the 900,000 refugees requires that these uprooted people should, through resettlement, and to such an extent as may be feasible, repatriation, be enabled to resume a life of dignity and self-respect."

In recognition of the financial strain this would impose on Israel, Mr. Dulles recommended outside help:

"All this requires money. Compensation is due from Israel to the refugees. However, it may be that Israel cannot, unaided, now make adequate compensation. If so, there might be an international loan to enable Israel to pay the compensation which is due and which would enable many of the refugees to find for themselves a better way of life.

"President Eisenhower would recommend substantial participation by the United States in such a loan for such a purpose. Also we would recommend that the United States contribute to the realization of water development and irrigation projects which would, directly or indirectly, facilitate the resettlement of the refugees."

We all are interested in resettlement of Arab refugees in other countries, where they may have the opportunity of becoming productive, useful citizens. But any impartial person who has taken even a cursory look at this problem knows that the refugees must first be given the option of repatriation and/or compensation. Of those who are actively concerned with this problem, I know of none who feels that more than 10 percent, if that many, of the refugees would choose to go home. Of these, most would be older people, wishing to spend their remaining days in the land where they were born. Others would be expected to return only long enough to liquidate claims before opting for another Moslem country.

However, I do not wish to dwell at length on the merits of this issue. With the amendment now before my colleagues, I am merely trying to enlist the support of the Congress for a U.N. resolution that has been endorsed by a great majority of member states, including our own country, in every session of the General Assembly since 1948.

Mr. KEATING. I now yield to the Senator from Pennsylvania [Mr. SCOTT].

Mr. SCOTT. Mr. President, the Congress, by authorizing additional govern-

mental funds for the foreign aid program, is, in effect, providing a stimulus for private enterprise to become more active in other friendly nations. Certainly no one can expect that the American taxpayer can indefinitely finance a foreign aid program. The American people, who constitute only a little over 6 percent of the world's population, have resources which are necessarily limited. However, a great deal can be accomplished if, through our efforts, American firms are placed in a position to assist enterprising firms and individuals in friendly countries to establish their own private enterprise projects.

Our efforts have been directed at maintaining a stable world with reasonable peace so that private commitments can be made with some certainty that they will be fulfilled. During the course of the hearings by the Foreign Relations Committee, one of the leading industrialists of Pennsylvania, Mr. Fred C. Foy, chairman and president of the Koppers Co. Inc., summarized one of the most interesting projects which has been undertaken with the assistance of the Development Loan Fund. This program was carried out in cooperation with a private bank, the Chase Manhattan Bank of New York. It has been of great benefit to Pennsylvania workers since in this instance three manufacturing concerns, all located in Pennsylvania, have cooperated in the planning and financing of a new steel mill in Turkey. In addition to the Koppers Co., they include the Blaw-Knox Co. and the Westinghouse Electric & Manufacturing Co.

It is indeed a satisfaction to those of us who have been urging that emphasis be placed on the promotion of private enterprise that this proposed Turkish steel mill will be privately controlled in a country where all of the traditions have normally favored Government ownership of major production facilities.

Mr. President, the Koppers Co., an organization which has contributed a great deal to the economy of Pennsylvania, has also assisted the nationals of many other countries, particularly in South America, to develop their resources and establish private enterprise economies. In reviewing its activities, I find that the policies of Koppers with regard to the development and operation of oversea enterprises may be summarized as follows:

First. To invest primarily in these foreign ventures where the predominance of equity financing is being supplied by private sources, thus helping to promote the free enterprise system in other countries.

Second. To work closely with foreign nationals in the planning and construction of oversea plant facilities for which a definite need exists, and in the training of local personnel to operate and manage such facilities.

Mr. President, there has been a long-continued interest in bringing American know-how and techniques to the so-called underdeveloped areas. Since 1950 Koppers has invested in nine Central and South American firms. In all but one of these investments, the Koppers equity participation is 50 percent or less. Plants that are partially owned by Koppers are now producing polystyrene in Argentina and Brazil, styrene monomer in Brazil, pressure-treated wood in Guatemala and Jamaica, and steel in Chile. In addition, a Chilean cement plant, partially financed by Koppers, is now under construction. And another Chilean firm, which will be capable of designing and building many types of industrial facilities, is now being formed by Koppers in partnership with an existing Chilean company. Additional Koppers investments are being contemplated in Argentina, Mexico, the Netherlands, India, Pakistan, Turkey, and the Philippines.

In addition to making a direct minority investment in a foreign enterprise, the Koppers Co. has also aided local business interests in underdeveloped countries through technical and management advisory contracts which make American experience and know-how available to newly formed enterprises.

Through such management contracts, Koppers provides assistance on management, finance, production, and marketing and also trains local personnel in the management and operation of industrial plants. Koppers presently has management contracts with seven firms located in foreign countries—four of which also represent Koppers investments. The firms now receiving management assistance from Koppers include two major oversea steel producers: Compania de Acero del Pacifico, S.A.—Santiago, Chile—and Acerias Paz del Rio, S.A.—Bogota, Colombia—and five other companies located in Argentina, Brazil, and Chile.

Mr. President, at a time when we are vitally concerned with the economic development of Latin America, the formation of a Chilean steel company provides a perfect example of what can be accomplished when American business techniques are made available to foreign personnel who are thus in a position to use the raw materials which are indigenous to their country.

Koppers management and technical personnel have worked with Cia de Acero del Pacifico since its inception in 1947. This steel plant now has an annual ingot capacity of 436,000 tons and supplies practically all of Chile's required steel products. The plant employs 5,500 workers, and total sales last year were in excess of $50 million.

Mr. President, I believe my colleagues will be interested in the statement which was presented by Mr. Fred C. Foy before the Foreign Relations Committee, and I ask unanimous consent that it may be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON THE FOREIGN AID PROGRAM ON BEHALF OF KOPPERS CO., INC., BY MR. FRED C. FOY, PRESIDENT AND CHAIRMAN

My name is Fred C. Foy. I am chairman and president of Koppers Co., Inc., Pittsburgh, Pa. My company is a very diversified one, as it serves a broad range of industries. One of our major divisions is a leader in the engineering and construction of steel mills and all allied components. Our engineering and construction division has had wide experience in designing and constructing such facilities not only in the United States, but also in many foreign countries. In addition to building such facilities abroad, we have had a number of contracts to provide know-how on management, production and marketing, as well as the opportunity to help train the staffs of such foreign facilities in the management and operation of those enterprises.

With this background, we would like to tell your committee today something about how our Government's foreign aid program is working practically as we are witnessing it currently in one particular country. We believe this experience will help demonstrate to the committee how the intent of the Congress that our Government agencies and American private enterprise work together to aid less developed countries is being carried out. It illustrates how the principle of private enterprise is being fostered concurrently with giving assistance to other countries in developing their economies and raising their standards of living.

The specific project to which I refer is for the construction of a new integrated steel mill for Turkey, our most steadfast and our strongest ally in the Middle East.

Turkey's major industrial growth has been fostered by its Government largely because of a shortage of both private risk capital and experience needed to undertake the necessary huge expenditures for basic industries such as steel and cement, for transportation facilities, and for power generation. The existing steel mill in Turkey is owned and controlled completely by the Government. It was their intention that a contemplated second integrated steel mill also would be owned and operated by the Government. However, because of the combined efforts of the Development Loan Fund and a group of American companies, this new $200 million mill will be owned and controlled by private enterprise in a country where government ownership and control of such heavy industry has been the practice.

In November of 1958, Koppers was commissioned by the Turkish Government to make a survey of the economic and technical possibilities for a second integrated steel mill in Turkey. After a thorough study of all technical, financial, market, and raw material factors, a report was submitted to the Turkish Government on September 1, 1959. This report indicated that:

1. By 1963 there would be an overall demand in Turkey for at least 1,245,000 metric tons.

2. The existing mill at Karabuk, which makes primarily structural products, would have a capacity after completion of its expansion program of 600,000 metric tons of finished products.

3. The need in Turkey was for a new mill to produce flat products such as plates, sheets, coils, skelp, and the like.

4. In its first stage, the new plant should produce 268,000 metric tons of finished products, and be planned for expansion to 470,000 and 1 million metric tons in its second and third stages, respectivley.

In September, soon after the report had been received by the Turkish Government, the Minister of Economy and the Minister of Industry and Secretary General of the Foreign Ministry for Economic Affairs met with the Managing Director of the Development Loan Fund, Mr. Vance Brand, to inquire whether the Development Loan Fund would be willing to consider this second integrated steel mill as another 100 percent Government-owned plant.

In the course of this conversation, Mr. Brand discussed with them at some length the values inherent in private ownership and operation of such a mill; the possibilities of interesting American private investors in a part of the equity participation; and the fact that a private enterprise approach would fit

more closely into the congressional direction to American lending agencies to stimulate private enterprise wherever practical in development activities throughout the world.

The Turkish representatives expressed a sincere interest in such an approach; advised that they would welcome American participation in a project of this type in Turkey, but stated that because no project of this magnitude existed in the private sector in Turkey they would have to have assistance from the Development Loan Fund in bringing this about.

After further consideration the Turkish Prime Minister and his associates agreed that a private enterprise approach to this second steel mill might well have many values to the Turkish economy; and they advised Mr. Brand that they would undertake to see how one might be developed.

During the month of September while the Turkish officials were in Washington, Koppers representatives met with them to discuss the project. Koppers was later joined by representatives of Westinghouse Electric International Co. and Blaw-Knox Co. in discussions with the Turkish officials concerning the construction and financing of the new steel mill.

These discussions culminated in the signing of a letter of intent on November 11, 1959, in which the Turkish Government agreed to award to Koppers, Westinghouse, and Blaw-Knox a contract for engineering, procurement, construction supervision, and certain equipment for the new plant. As part of their responsibility under this letter of intent, the three U.S. suppliers agreed to work with the Government of Turkey to work out a plan for a corporate structure and financing for the project. It was agreed that this plan would include not only the Turkish private and public sector, but also private investors from the United States. The three U.S. suppliers agreed further to take a substantial equity interest in the new company when formed.

Representatives of Koppers, Westinghouse, and Blaw-Knox proceeded to Ankara, Turkey, arriving on November 22, 1959. After a week of meetings, a protocol was signed on November 29 which formalized the letter of intent, establishing that Koppers, Westinghouse, and Blaw-Knox would provide at least $10 million of equity capital in kind, and establishing the general rules for the formation of the new steel company.

A representative of the Chase International Investment Corp. accompanied the American group to investigate the possibility of private investment by Chase and by other private U.S. investors.

Just prior to the group's departure from Ankara, they were advised that the Turkish cabinet had met on November 29, and approved the principle that the material, equipment and supplies for the new steel mill will be exempt from import duties.

On January 5, 1960, the Turkish officials notified the Development Loan Fund and the American group that the protocol had been ratified by their Government. Upon receiving this notification, the Managing Director of the Development Loan Fund, his chief engineer and loan officer joined the American group in Turkey to determine the procedures to be followed and the additional information that would be required before they could consider a loan for this project.

During this visit the Koppers group and the Turkish officials worked out the details of a founders' agreement for the proposed Turkish steel company, articles of association of the company, and the draft of a special law which would have to be passed by the Turkish Parliament before the new company could be formed. The founders' agreement and the articles of association were signed by representatives of the founders on February 9, 1960. On March 8 we were advised that the special law had been passed by the Turkish Parliament.

Among other things, these documents provide and the law makes possible the formation of a new Turkish steel company, which will be controlled by the private sector. It is contemplated that the total equity capital will be $51,250,000, of which the Turkish public sector will subscribe to $24 million—before disposing of any of its stock—the Turkish private sector $11 million, and the U.S. private sector $16,250,000—when all debentures with warrants are converted to common stock. Although the Turkish public sector will own about 47 percent of the stock, one-half of their stock will be preferred stock with only one vote per share, whereas the balance of the stock will be common stock with two votes per share. The public sector will, therefore, only control 40 percent of the voting power.

The documents I mentioned previously also provide that the Turkish Government eventually will dispose of 100 percent of its participating interest in the new steel company. A definite formula for the disposal of the stock has been worked out, making it an obligation of the board of directors of the new company to see that the stock owned by the public sector will be sold completely to private interests.

It is too early to tell the extent of participation that will be obtained from the Turkish private sector. Our latest advice is that the equivalent of $5 million in Turkish Lira had already been subscribed, even before the new company has been formed, and subscriptions are continuing to be filed. It is expected that this total will reach a minimum of $11 million. It is interesting to note that a cooperative association has been formed among the employees of the existing steel mill at Karabuk, and that they expect to subscribe for $5 million Turkish Lira—$550,000.

The Turkish businessmen and other investors who are associated in any way with the development of this new Turkish steel company, are very proud of their participation. They expressed great interest in this combined effort of the U.S. Government and American private industry in helping to make it possible for this new tool for their industrial development to be owned and operated as a private enterprise. They view this undertaking as the first major step in the development of a more important role for private investors in the financing of new industries.

We three American suppliers, Koppers, Westinghouse, and Blaw-Knox, are likewise very pleased to have the opportunity to participate with the Turkish Government and its people, and the Development Loan Fund, in bringing this vitally needed facility to Turkey. We are very pleased that we will have financial interest in this new Turkish steel company, as we believe that the combined experience and knowledge of Turkish and American businessmen can result in the establishment of an economically sound and profitable enterprise.

It has been very helpful that the Chase International Investment Corp. has been carefully studying the new Turkish mill as an investment possibility. From a financial point of view, Chase has made some extremely valuable suggestions, making this venture attractive to American investors interested in the international field.

We are confident that with the combined strengths of the Turkish and United States private and public sectors brought to bear upon the undertaking, this large-scale privately operated venture will have important long-range benefits for the Turkish Government, the Turkish people, and the Turkish economy.

We are also confident that this investment in private enterprise in a strongly pro-Western ally will be wise not only from an economic standpoint, but from a political viewpoint as well.

Mr. KEATING. Mr. President, I yield back the remainder of my time.

Mr. COOPER rose.

Mr. FULBRIGHT. Mr. President, how much time remains?

Mr. COOPER. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield 3 minutes to the Senator from Kentucky.

Mr. COOPER. Mr. President, yesterday I spoke briefly against the amendment offered by the Senator from Illinois [Mr. DOUGLAS] and also voted against it. The time for debate will be limited on Monday, and because I think the time on Monday should be reserved to the Senator from Arkansas [Mr. FULBRIGHT] and other members of the Foreign Relations Committee, I will speak for a few minutes this afternoon.

As I said yesterday, when some of the sponsors first talked with me about this amendment, I expressed sympathy toward the principle of freedom of navigation in international waterways, and inferentially, in the Suez Canal, which it expresses. But upon reflection I decided that it would be harmful to these purposes for the amendment to be enacted.

I know what the sponsors intend. They hope that by the enactment of this amendment the United States, through the President, would be able to bring influence to bear upon the United Arab Republic to change its embargo policy against Israel's shipping, on cargoes bound to or from Israel. I believe such an embargo contravenes the convention of 1888, and certainly the spirit that we believed would obtain after the settlement of the Suez Canal ownership a few years ago. Yet I oppose the amendment because I believe its consequences would be the very opposite of those intended by its sponsors. Instead of assisting the President in any representations or negotiations, either directly or through the United Nations, which our Government might wish to undertake toward the removal of the embargo, it would only harden the position of Egypt. If this should occur—and it would occur, in my opinion—no good could possibly be accomplished by this amendment.

The amendment has other connotations which would not be helpful to the U.S. aid program. A great hue and cry is made by Russia, and believed by some free countries, unfortunately, that our aid is offered with strings—that is, our aid is used solely to secure political ends. Certainly such a charge would be made in this case.

While I believe strongly that the Suez Canal ought to be opened to Israel, and that the United Arab Republic would make a great contribution to world order and to the settlement of the issues in the Mideast if it were to open the Suez Canal, I believe with all my strength that this amendment would have the opposite result. It would be viewed merely as an effort by the American Congress and the executive branch of our Government to put pressure on another country through its aid program.

What would happen? The United Arab Republic would say, "We do not

want your aid. You are interfering with our sovereignty."

Much as I should like to see the principle expressed in the amendment become a reality—the opening of the canal—I believe we will do great damage to Israel and to conditions in the Mideast, and great damage to our total foreign aid program, if we allow this amendment to remain in the bill.

Mr. FULBRIGHT. I thank the Senator.

Mr. President, a moment ago I asked unanimous consent for the yeas and nays on my amendments on Monday. I understand that it is contrary to tradition to order the yeas and nays by unanimous consent. I ask unanimous consent to vitiate the unanimous-consent order.

The PRESIDING OFFICER. Is there objection?

Mr. KEATING. Mr. President, reserving the right to object——

Mr. FULBRIGHT. I am expecting a yea-and-nay vote under the normal procedure. I understand that the unanimous-consent order which has been entered violates the traditions of the Senate and the policy of the leadership. I did not realize that. That is my reason for making the present request. I still intend to seek a yea-and-nay vote on Monday.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas?

Mr. KEATING. Reserving the right to object, was there a series of amendments with respect to which the Senator obtained unanimous consent for yea-and-nay votes?

Mr. FULBRIGHT. Only two.

Mr. KEATING. Is the Senator seeking to vitiate both orders?

Mr. FULBRIGHT. Insofar as unanimous consent for the yeas and nays is concerned.

Mr. KEATING. I realized that that was the policy, but I assumed that the policy had been changed or the Senator from Arkansas would not have made the request which he did. I believe that the policy established by the leadership is a sound one.

Mr. FULBRIGHT. So do I. That is why I am making the present request.

Mr. KEATING. I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas [Mr. FULBRIGHT]? The Chair hears none, and it is so ordered.

Mr. FULBRIGHT. In conclusion, let me say that we are operating under an unusual procedure. The votes on the amendments are going over until Monday.

Mr. JOHNSON of Texas. The Senator can have the yeas and nays ordered on Monday without any difficulty.

The PRESIDING OFFICER. Does the Senator withdraw the amendment?

Mr. FULBRIGHT. Can I offer it again on Monday?

Mr. JOHNSON of Texas. Yes.

Mr. FULBRIGHT. Mr. President, I withdraw the amendment temporarily.

Have I any time remaining?

Mr. JOHNSON of Texas. Mr. President, I yield myself 1 minute on the bill.

The PRESIDING OFFICER. Without objection, the Senator from Texas is recognized for 1 minute.

Mr. JOHNSON of Texas. The senior Senator from Louisiana [Mr. ELLENDER] has a series of amendments—I believe a total of four amendments. He desires to offer those amendments en bloc. Under the agreement he would be entitled to 5 minutes on each amendment. He would be entitled to 20 minutes on four amendments. I ask unanimous consent that the Senator from Louisiana may be entitled to offer his four amendments en bloc, and that he be entitled to 20 minutes on the four amendments.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. COOPER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 15, line 20, it is proposed to strike out "$247,500,000" and insert in lieu thereof "$250 million."

Mr. COOPER. Mr. President, I have offered the amendment so that I may speak on the mutual security program. I shall withdraw the amendment later. I am doing this so that I will not encroach on the limited time allotted for debate on the bill next Monday.

As a Member of the Senate in 1947, I supported the Greek-Turkish program of assistance. In 1947 and 1948, I strongly supported the Marshall plan at a time when the inportance of foreign aid was not as yet well accepted. In the years that have followed, when I have been in the Senate, I have continued to support foreign-aid programs. I intend to support the pending bill. And as long as I stay in the Senate, if the need for assistance obtains, and supports our country's purposes, I will continue to give my support to this principle of our foreign policy.

Nevertheless, throughout the years, and particularly since 1955 and 1956, when I saw the operation of our foreign-aid program in recipient countries, I have believed that they are not as effective as they should be—and could be if the executive and legislative branches would take corrective action. This I have stated several times in the Senate. I have made speeches throughout the United States to this effect. Today I wish to speak my convictions, and to state the views that I hold on improving our foreign-aid program.

The foreign-aid program is one of contradictions. It has been uniformly supported by the Presidents of the United States since World War II—by President Truman and by President Eisenhower. It has been supported by every Secretary of State.

Despite opposition in the country, it can be said that it has been supported by Congress, because year after year foreign aid authorization bills, and foreign aid appropriation bills, are enacted. While the figures for foreign aid vary, I am informed that foreign aid appropriations and commitments which have been made to other countries since World War II amount to some $50 billion.

Our aid has gone to 73 countries throughout the world. It has accomplished great good. Perhaps most effective of all was the Marshall plan program. But later programs have done great good, and have helped countries in every section of the world.

Yet with this background, it is a fact that many in the United States are disillusioned and oppose foreign aid. Many in Congress, who were its strongest supporters in the past, and who want to remain supporters, express doubts about many of its features.

There are factors which would cause opposition in any case. Many of our people do not like to pay taxes to assist other countries. Many say, as we hear so often, "If the United States can aid other countries, then the Congress and the Executive ought to do more for a special program, or area, in which they are interested."

Again, from time to time evidence has been adduced of waste in our foreign aid program.

Yet objectively we are reaching the point where our foreign aid program will be indispensible to the interests of the United States as well as to those of other countries. Newly independent countries are experiencing economic and political difficulties. They must have aid if they are to make progress. We have responsibility regarding the peoples who have chosen democratic forms of government. They must look for foreign aid either to democratic countries or to Communist countries.

I believe that if the program is to survive, it demands a reorganization by the executive branch, and by the Congress.

One of the chief reasons for the growing disillusionment over our foreign-aid program, in my view, is that many people do not believe that it is as effective as it could be, considering the amount of money that we appropriate each year. From my observations for a short time in another country, that was my belief—that it is not as effectively used as it should be, and that it demands reorganization.

I wish to suggest a few points today which I believe this administration, or the incoming administration, and the Congress and its appropriate committees might take into consideration in the formulation of a foreign aid program for the future.

I state as my first point that I believe that military assistance and defense support—and these items account for the largest appropriations in the mutual security bill—should be placed in the defense budget. One reason they are kept in the mutual security bill is to carry the other programs, that is, the economic and point 4 programs. An appeal can be made to Congress and to the people, it can be said, "The United States must have a strong defense; as an essential part of our defense system we must have military assistance and defense support programs for other countries."

And then economic aid and the point 4 program are carried along.

If the military assistance and defense support programs were considered by the Committees on Defense Appropriations and the Committee on Armed Services, in connection with other defense expenditures, there would be a better judgment about the extent to which military assistance is needed. We make large appropriations for military assistance to countries in Asia, Latin America, and Africa. We say it is for defense against Communist aggression. For some countries this is a valid reason. Others need assistance to maintain internal order. But any person of judgment knows that if there should be an attack upon one of these countries by Russia—and though I do not think that would be the way Russia would strike—they could not stand for a week, and some of them not even a day. I do not say this in derogation of their courage—for their courage is great—but as a comparison of strength.

My first point is that military assistance and defense support should be stricken from the mutual security bill and placed in the defense budget.

The second point I make—and I believe this is the most important of all—is that if a foreign aid program is to be truly effective, it must be given continuity by the administration and by Congress.

Two years ago the President recommended that continuity be provided for the Development Loan Fund. Last year the Senator from Arkansas [Mr. FULBRIGHT] made a valiant fight to do so. Yet, the Senate struck the language from the bill upon a point of order. Unless the Constitution is amended, it is entirely possible that such a point of order could always be made.

Nevertheless, the Marshall plan succeeded, in my judgment, because Congress made a statement of policy, a moral commitment to a 5-year program. The European countries were able to plan programs to fit their needs. They were able to organize their plans and programs for a 5-year period. The United States on its part was able to make its economic arrangements, its delivery of supplies over a period of 5 years. This course produced an effective program. And the cost was less than was contemplated at the time of the adoption of the Marshall plan.

As long as we have an economic program under which appropriations are made year by year, the recipient country cannot plan its expenditures; it cannot manage its foreign reserves. The United States cannot plan with the recipient country programs which would be most effective in that country. As a result, a country will not undertake wealth-creating programs because it does not know that help will be forthcoming from succeeding Congresses.

A great amount of aid is channeled into secondary projects—projects which are useful, but which are not absolutely necessary and are not the wealth-creating projects, which take several years to develop.

Russia has an advantage in this respect: It can select one or two great projects in another country, of large cost, which are wealth creating. It will make commitments at one time, to enable the major projects to go forward under Russian aid.

It seems contradictory to the very spirit of this country—a country which prides itself on its efficiency, and on the effectiveness of its private enterprise system, where plans are made years ahead—for the Congress to appropriate vast sums of money year by year, piecemeal, which deny the very effectiveness and the fulfillment of the objectives of our foreign-aid program.

The only way the foreign-aid program can be made effective is along the order of the Marshall Plan. This country should commit itself for a period of 5 years. It might not be enforcible from a legal viewpoint, but being a commitment of Congress, it would be carried out, as under the Marshall plan. Continuity for 5 years would make possible a far more effective foreign-aid program, with the same amount of money we appropriate now, or even with smaller sums.

The third point I make relates to the selection of projects in the recipient countries. Our programs are bilateral. Usually a country submits to the United States a program which it would like to undertake. It is difficult for the United States to say that a better program could be initiated. To do so offends the sense of sovereignty of the other country. It offends their sense of freedom and independence in a newly established country. A multilateral organization, however, could assist in the selection of the best program for a country, without difficulty.

I should like to see the State Department and the executive branch be able in the future to arrange consultations with the World Bank, or with the United Nations program of preindustrial planning. If the preindustrial planning program of the United Nations or the World Bank were used to determine the most suitable programs for recipient countries, we could be sure then our money would be spent on the best programs and would be more effectively used.

My fourth point is that we should give more attention to agriculture. In some of the countries I have visited, particularly the newly independent nations, I saw evidence of great desire to build an industrial base. That is natural, because a country cannot advance its standards of living very much until an industrial base has been created. These countries are conscious of the fact that under colonialism they were not permitted to industrialize to any large extent, and were used as a source of raw products. But as these countries industrialize, the slow advances in personal income will first be spent on food and clothing. Unless they make progress toward modern agricultural development, we will see inflation in these countries, and the small advance in personal income from their industrial progress will be wiped out.

The great efficiency of American agriculture is well known. It is a blessing so generous that we are not fully able to handle it. By sharing our agricultural knowledge, and through wider use of fertilizer and other proven practices, many of the newly independent countries could very effectively and quickly increase their food production. I think that is the fourth point to which we should give more attention in the future.

I have mentioned four points as practical points: First, remove military assistance and defense support from the mutual security bill.

Second, follow the example of the Marshall plan and establish stated appropriations for a period of at least 5 years, to provide continuity.

Third, to select with the countries the programs which are best suited to them, and most effective, we should enlist the help of the World Bank and the United Nations, in their preindustrial planning, to work with the recipient countries, in the selection of the most needed projects.

Fourth, more attention should be paid to the development of agriculture. Public Law 480 has helped the hungry people of the world. But we cannot expect that those countries will rely on this program forever; and we cannot be certain that our country will always have a Public Law 480 program. With the help of the agriculturists of this country, and with the possibilities which are afforded through the use of fertilizer, plant breeding, modern cultural practices, and similar advancements, the foreign countries can, contrary to what many persons say, move toward self-sufficiency in food production.

I shall mention two other points. The first one is not concerned with the practical execution of the program, but relates to an attitude of mind and to the purposes of our program.

We are engaged in a world struggle with the Communist nations. Whether it is admitted or not, we are engaged in a struggle to achieve a balance of power, or to achieve superiority in the balance of power. We hope through this means to avert war.

We know that our foreign-aid program, in self-interest, takes into account the struggle between the two great world forces—the democratic countries and the Communist countries. But for many people throughout the world—and I know this to be true from my service in other countries and from my service in the United Nations—this struggle has little appeal. It ought to have appeal, but it does not reach the people. Many countries are engaged in a revolution, peaceful or violent, to upset the old order in their countries—an order which they believe has held down their living standards and prevented them from attaining equality in the world. Whether it be a democratic revolution or a Communist revolution, there is mistique and attraction in revolution. We see this today in Latin America.

If we base our mutual aid program with these countries solely on helping us maintain our own defenses and our own security against communism, the pro-

gram will not have full appeal to the countries that are developing. Although they know of our self-interest, they want to be certain that our purpose in maintaining this program is also to help the newly independent and developing countries advance in the ways our country has advanced. We can communicate that purpose to them only through action. Certainly that principle is basic to this program.

Yesterday I opposed the amendment of the distinguished Senator from Illinois, which related to the Suez Canal. Admitting the justice of the claims of Israel, and the justice of their claims in the eyes of the world—and I think they are just—yet, Mr. President, if we give to the people of the world the impression that we are using our mutual aid program for political purposes, to advance our own interests in every dispute in the world, this program will have no great meaning.

I come now to the last statement I wish to make. It has nothing to do specifically with the pending bill, but it goes to the support that these bills and future bills like them may receive from the people of the United States. Here in the Congress, we often hear calls for domestic appropriations for good purposes. Statements are made that if we can spend money over the world, we should also spend money for some particular purpose. I do not believe that is a valid argument in many cases, because our foreign-aid program is concerned with our security, with trade, with building better relationships with peoples throughout the world. But the argument has a certain validity at this time, because while we have been enjoying the greatest general prosperity in our history—and for most of the people of the United States that is true—yet in our country there are areas and people which that general prosperity cannot reach. These are the people—in the underdeveloped regions and pockets of depression in this country—which have been left behind. We have got to help pull them out of the ditch.

When I refer to this matter, Mr. President, I realize that some may say, "You are from Kentucky, and you are speaking about the mining areas of your State." But whether or not I speak, the facts will not go away. And there is, and will continue to be, resentment that we are not making our best effort for the people in the backwash of our own economy. I have been saying this for 3 or 4 years now, here in the Senate. I have said it to members of the Cabinet; and I have said it at the White House.

Again I say that this situation is wrong. When there is such great general prosperity in our country, but when some parts of the country are left behind, and the people of those areas are in trouble and in need, that situation should be dealt with by the administration and by the Congress.

It should be dealt with on its own merits, I recognize that. But I should like to warn the administration, and future administrations and the Congress, that unless programs are undertaken to assist these depressed areas in the United States, where people have little or no opportunity now, we shall see rising opposition to mutual assistance programs. I do not want to see that occur, because I believe mutual assistance has its own valid reasons for existence. But we cannot escape public opinion, or the resentment of people in this country who see great sums of money going abroad while very little or nothing is done for our own people who are in dire need and dire trouble.

So I hope that, during this year, steps will be taken to give help in the areas of the United States which are most deeply affected, so that it cannot be said that we forget our own people.

I close by saying that if there is to be in this country the public support needed to maintain the foreign aid program, we must be mindful of the needs—not the wants and desires of everyone in this country; we could not provide for all of them, but the real needs—of people throughout the United States who are in trouble.

So, Mr. President, if we are to have a mutual security program which the country will continue to support, I believe this program must be reorganized. I do not assert that my views are the ultimate ones; but I present them with great conviction and belief. I have had the unique experience of observing this program from both sides; and I have made these same recommendations over since 1955 and 1956, when I saw our mutual security program in operation.

Mr. KUCHEL. Mr. President, will the Senator from Kentucky permit me to comment at this time, in the time available to him?

The PRESIDING OFFICER (Mr. KEATING in the chair). The Senator from Kentucky has 3 minutes remaining.

Mr. KUCHEL. Mr. President, will the Senator from Kentucky yield that time to me?

Mr. COOPER. Yes; I yield.

Mr. KUCHEL. Mr. President, as always, when the distinguished senior Senator from Kentucky [Mr. COOPER] speaks, either here in the Senate or elsewhere, he offers challenging and constructive comments in the best interests of the Nation.

We in the Senate respect the views and the judgment of our colleague, the senior Senator from Kentucky, who is most distinguished and very able, and in the past graced our Foreign Service when he held the post of U.S. Ambassador to India; and both prior and subsequent thereto he was a representative of the Government of the United States before the United Nations.

So I am always glad to listen to the suggestions which the Senator from Kentucky makes to the Senate, to the Government, and to the people of the United States.

In the present instance, it is his judgment that his suggestions will enable our program of mutual security to be bettered and improved.

On many occasions I have had the opportunity to speak with the Senator from Kentucky and to hear him describe some of his experiences in India and in Europe. I remember particularly that on one occasion he and I discussed with an agriculturist who happens to live in my State the possibility of giving to the people of India an opportunity to overcome their poverty and their privation; it was proposed that, by means of chemical treatment of their apparently abundant soil, it would be possible for the people of India to raise for themselves the foods and the fibers they require.

I am content now, Mr. President, to say here for the RECORD that once again his colleagues profit by the vast experience in American government which the distinguished Senator from Kentucky has had, and in his comments he has given us an opportunity to face up to some of the problems which exist today with respect to our mutual security program in America.

Now I ask unanimous consent that I may suggest the absence of a quorum with the time being charged to either side.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none.

Mr. KUCHEL. Mr. President, before I suggest the absence of a quorum, I do want to say for the RECORD that I observe for the moment some of my colleagues participating here this afternoon who happen to share my political philosophy. On one previous occasion, when the situation was just the reverse, and my colleagues on this side of the aisle were required to be absent from the Chamber, one of my colleagues on the majority side suggested that he might make a motion to abolish the Republican Party.

On tomorrow, when my absent colleagues read this RECORD, and when, I imagine, some paroxysms of fear may overcome them as to what might have happened this afternoon, I am sure, Mr. President, you would want to join me in suggesting in the RECORD that they need have no fear at all that we will not proceed here in a manner that will not be in keeping with the high traditions of the U.S. Senate.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. KUCHEL. I now suggest the absence of a quorum.

The PRESIDING OFFICER. Is there objection?

Mr. LONG of Louisiana. I object. I should like to make a brief insertion.

Mr. KUCHEL. I did not hear the Senator.

Mr. LONG of Louisiana. I have been waiting for the Senator to complete his speech, so I may make a brief insertion.

Mr. KUCHEL. I did not hear the Senator.

Mr. LONG of Louisiana. Some time ago, during the civil rights debate, it occurred to me we southerners could have won that contest by default, because we were the only ones on the floor, but then I realized there were perhaps two Republicans present, and I knew there was no use in trying it, because Senators would have been rushed here.

Mr. President, I ask unanimous consent that I may make an insertion in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

THE CUBAN SITUATION

Mr. LONG of Louisiana. Mr. President, I have several editorials which reflect my views with reference to the Cuban situation. I ask unanimous consent to have them printed in the RECORD at this point.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Fort Lauderdale (Fla.) News, Mar. 31, 1960]

THIS IS TURNING THE OTHER CHEEK TO THE POINT OF STUPIDITY

It seems almost inconceivable today that, in the wake of the blistering attacks Fidel Castro and other high officials of the Cuban Government are making against this Nation, we should still be considering awarding Cuba $350,000 in economic assistance under our foreign aid program.

Yet, that amount of money is contained in the foreign aid budget presented to Congress by the administration, and there's a good chance it will stay there unless the House Foreign Affairs Committee chops it out this week.

One member of the committee, Representative WAYNE HAYS, of Ohio, does seem determined not to reward the Castro government for its attacks on this Nation. A week ago he proposed that the economic assistance money proposed for Cuba be knocked out of the aid program, but he frankly admits that other committee members are sharply divided on the issue and he may have to take his battle to the floor of the House to get the aid funds knocked out.

HAYS has pointed out that some committee members are arguing that cutting Cuba out of our assistance program would only serve to give Castro more reason for belaboring the United States and to picture himself as a martyr being crucified because he won't do what we want him to do.

The State Department apparently shares this viewpoint as it has registered its opposition to cutting off foreign aid assistance to Cuba although, if it comes to a showdown, it probably won't wage too strong a fight against the Hays proposal.

Actually, HAYS doesn't want to deprive Cuba of any chance to qualify for assistance under the foreign aid program. His proposal would merely serve to cut off economic aid unless President Eisenhower makes a formal determination that it would be in the national interest for Cuba to continue to share in the program.

Furthermore, HAYS is willing to go along with an amendment to his proposal that would make the cutoff applicable only to the Castro regime so that economic assistance could be renewed if and when there is another change in the Cuban Government.

Representative HAYS' stand is similar to that of Senator GEORGE SMATHERS of Florida. A few days ago the junior Senator from this State took the floor of the Senate to protest the action of the State Department in sending Ambassador Philip W. Bonsal back to Havana.

SMATHERS declared that the return of Bonsal proved that our current policy toward Cuba is one of weakness and appeasement which is confusing our friends throughout Latin America because they cannot understand how we can supposedly oppose ironfisted, one-man rule while at the same time lending support to Fidel Castro who is certainly a dictator cast in this mold.

SMATHERS pointed out that there are now only 5 of the original 130 members of Castro's 26th of July movement still associated with him in the Cuban Government. All the rest have pulled out of the movement largely because they were not Communists and could not stomach the steady drift of the Castro government toward outright communism.

SMATHERS quoted the remarks of one of the most recent retirees from the Castro government as indicative of what is currently going on in Cuba. This man, Miguel F. Pons, who was serving as a Cuban representative on the Inter-American Defense Board in Washington, announced he was quitting the Castro regime because he had had enough of Fidel Castro. He denounced Castro as a stooge of international communism and as the new dictator of Cuba.

Pons reportedly got a standing ovation from the other members of the Inter-American Defense Board when he announced his departure from the Communist government of Castro with the following statement:

"There are no individual guarantees in the Cuba of today. There is no respect for property and, even in its social and collective functions, there is no liberty of enterprise. Individual initiative is prohibited. People who would not dare work openly for communism before are doing it now under the guise of aiding Fidelismo."

SMATHERS declared that other Latin American nations simply cannot understand our vacillating policy toward the Castro government. On the one hand we are spending billions of dollars to fight the spread of communism throughout the world yet, with the other, we continue to extend recognition, aid, and comfort to a regime dedicated to spreading communism in Cuba with no thought to how this policy will be received by other Latin countries.

The points made by Senator SMATHERS and Representative HAYS are certainly worth thinking about. Neither of these gentlemen is advocating direct intervention on our part to overthrow the Castro government and both, no doubt, will go along with remedies instituted by the U.S. Government to prevent intervention in Cuban affairs by individual Americans.

But this policy of nonintervention does not mean we have to extend a soft hand of friendship to Fidel Castro and his Communist buddies. It does not mean we have to buy their sugar at an inflated price; keep our Ambassador in their country, or continue to furnish them with economic assistance under our fuzzy and wasteful foreign aid program.

This is turning the other cheek to the point of stupidity and, like Representative HAYS and Senator SMATHERS, we are prone to wonder when the administration and the State Department are going to wake up to the fact that Communists in Cuba are no different than Communists elsewhere no matter what kind of a disguise they adopt.

[From the Tampa (Fla.) Tribune, Mar. 30, 1960]

PATIENCE VERSUS APPEASEMENT

When the State Department earlier this month decided to send Ambassador Philip Bonsal back to Cuba, Florida Senator GEORGE SMATHERS arose on the Senate floor and protested that the action would be a tragic mistake.

The day after Bonsal returned to Havana, SMATHERS read his fellow Senators the news reports out of Cuba and said, in effect, "I told you so."

From the look of things in Cuba, we suspect Washington will be hearing a good many more I-told-you-so's from Senator SMATHERS.

SMATHERS' contention was, and is, that to return America's Ambassador—who had been withdrawn because of insults from Castro newspapers—constitutes appeasement of a Government which is as anti-American as ever and is, moreover, a Communist-type dictatorship. This apparent truckling to a regime which consistently praises communism and denounces Americanism, SMATHERS argues, hurts U.S. prestige throughout Latin America.

The Florida Senator told the Tribune this week:

"Our Cuban policy dismays our Latin American friends who side against Castro because he is a dictator. Our policy confuses every Latin American as to what our stand on dictatorships really is. We supposedly oppose ironfisted one-man rule but, at the same time, we apparently give support to Fidel Castro—who is certainly a dictator cast in this mold.

"The Eisenhower administration has scored what they termed appeasement in the Far East and elsewhere in the world. They vowed unending opposition to such a policy. Yet in Cuba I think we have seen an appalling example of appeasement and obviously to no avail."

Since this is an election year, there may be a mite of politics in Senator SMATHERS' reminder of past Republican attacks on appeasement in Democratic administrations. But events in Cuba do seem to confirm his contention that we're getting nowhere trying to be nice to Castro.

In another of his television talkathons, Fidel Castro yesterday said Cuba "won't bother" to send its own ambassador back to Washington until the United States "demonstrates better faith."

This is insufferable arrogance toward a country which has made every effort to be a good neighbor in the face of constant abuse, the seizure of American-owned properties (without compensation) and the harassment of American citizens.

Nor does there seem to be much doubt where the sympathies of the Castro government lie in the struggle between democracy and communism. On the same day Ambasador Bonsal got back in Havana, Cuba's economic boss and Castro pal, Ernesto Guevara, publicly declared that "Cuba's great friend is Soviet Russia * * * Cuba's economic war will be against the great North American power (meaning the United States)."

Pro-Communists in Cuba have unlimited freedom of speech. But anti-Communists are denounced by Castro and his associates as "enemies of the revolution" and the mobs incited against them. One by one, the brave voices which have continued to speak out against communism and dictatorship are bullied into flight or silence.

If Fidel Castro has uttered one word of friendship for the United States, or criticism of Soviet communism, we've missed it. He does not even mention the holding of free elections any more. Nor does he talk of peace. He rants of enemies and plots and speaks lovingly of his arsenal of foreign-bought weapons. "We shall defend our territory house by house, street by street, sugar mill by sugar mill."

Against whom, pray tell?

The United States has had to be patient with Castro to prove to the world its sympathy with an oppressed people's struggle for freedom.

It is increasingly clear, however, that the Cuban people have swapped the tyranny of Batista for the tyranny of Castro. In such circumstances, Washington had better prepare appropriate measures—such as a reduction of Cuban sugar purchases—to show that we can tell our enemies from our friends. Otherwise, as Senator SMATHERS suggests, our Latin American neighbors may mistake noble patience for ignoble appeasement.

[From the El Paso Times, Apr. 5, 1960]

WE'RE FOR SMATHERS

While Fidel Castro again was hitting out against the United States, a U.S. Senator from Florida, our closest neighbor to Cuba, had the courage to speak what millions of Americans have been thinking.

That U.S. Senator is GEORGE A. SMATHERS, Florida Democrat.

He said the United States should recall Ambassador Philip W. Bonsal from Cuba, reduce Cuban sugar quotas and adopt a get-tough policy toward the Castro government.

It is possible that Senator SMATHERS was a little tough in his public pronouncements, but he was not near as tough as Castro has been in his denunciation of the United States.

In Havana on Sunday, Castro said the United States is bringing pressure in other Latin American nations for collective action against Cuba, implying anticommunism was the rallying point for the action.

Castro again showed he does not know what he is talking about, but, even if his accusations were true, it cannot be denied that it is time for anticommunism to be a rallying point for collective action against the Castro government.

Castro has surrounded himself with Communists and fellow travelers. He fawned in the smile of Mikoyan of Soviet Russia. He made a deal with Moscow aimed at embarrassing the United States.

Now, when Castro's political sins are finding him out, he wants to strike again at the United States. He is proving himself to be a small boy who things he can do anything he wants to, but no one has the right to scold him for it.

The Times agrees wholeheartedly with Senator SMATHERS, of Florida.

Uncle Sam has not gone soft yet, we hope.

[From the Sarasota (Fla.) Herald-Tribune]

SPOKESMAN ON CUBA

Americans who are ashamed of their Government's conduct toward the Communist dictatorship in Cuba have a spokesman in Florida's Senator GEORGE SMATHERS. In a statement this past weekend Mr. SMATHERS issued a warning which the United States should heed despite the equivocating Castro apologists in the State Department and in the liberal press. Florida's Senator said flatly that the United States is faltering in the Cuban crisis, and that some State Department officials have shown "a timorous desire that we hide our national dignity and cloak our self-respect for fear that by acting courageously we will alienate the friendship of other Latin American countries."

"That policy is dangerous and self-defeating," he said. "In the past our proudest national achievements were those we fashioned with courage and fortitude. Whenever vascillation and fear took command our Nation suffered and we were ashamed of that which we wrought."

Any one who has ever studied Latin America will realize the pure truth of Mr. SMATHERS' statement that "nowhere in the world is strength of character and reasoned firmness in action more highly regarded than in Latin America."

"If we continue such appeasement policies as those which marked our dealings with the strutting Cuban dictator, we will forfeit respect of every Latin American.

"Latin Americans, both the man-in-the-street as well as those who govern the country, look to the United States for leadership and they are appalled to find us faltering in the Cuban crisis," Mr. SMATHERS concluded.

The State Department recently sent back to Cuba our Ambassador, Philip Bonsal, despite the insulting actions toward him and our Government which had previously occurred. Dictator Castro had arrogantly refused even to talk with Mr. Bonsal. The Cuban regime has failed to honor its international agreements, has brutalized its own citizens, and is not worthy of the diplomatic recognition the U.S. Government has extended.

Mr. SMATHERS criticized the return of Ambassador Bonsal, saying that it was sickening appeasement of the Castro leadership. How right he was could be seen shortly after Mr. Bonsal's return, when Castro continued to heap calumny on the United States, and contemptuously said that he would send an Ambassador to the United States if and when he felt like it.

Castro has turned Cuba into an armed camp, with even children and parents drilling in the streets. He has spent millions of dollars for war materials in Europe, and is even now concluding a deal with Communist Poland to obtain Russian-built jet aircraft.

How long are we going to continue to subsidize this dictatorship with millions of dollars in payment for sugar at prices above the world market? How long are we going to continue to lend perstige to this strutting megalomaniac by extending formal diplomatic recognition? What manner of men in Washington are setting U.S. policy for the Caribbean area?

American people should demand that their elected representatives join with Senator GEORGE SMATHERS in finding the answers to these fateful questions.

MUTUAL SECURITY ACT OF 1960

The Senate resumed the consideration of the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KUCHEL. Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. GORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. Mr. President, I move to strike out the enacting clause.

The PRESIDING OFFICER. The Senator is recognized.

Mr. GORE. Mr. President, there is little disagreement on the long-range objectives of our foreign policy. Although these objectives may be stated in varying ways, what we really seek is national security in a world at peace. This would mean security and peace for all. We seek a world order in which human beings everywhere shall enjoy individual freedom and increasing benefits of a free and productive society.

We have long since recognized that this goal is not achievable through a go-it-alone policy.

In recognition of the need for a collective effort against the challenge of Communist world domination, our budget annually contains billions of dollars whose expenditure is designed to promote collective security against military aggression and to promote the cause of freedom against that of Communist enslavement. To the extent that our foreign-aid expenditures actually promote this objective, the money is well spent. To the extent such expenditures do not promote this objective, they may well prove detrimental to the very causes we seek to advance.

In my opinion, the overall direction of our foreign aid program and the manner in which it is administered should be subjected to a searching reexamination. It seems to me that we should seek through our aid to underdeveloped nations to create conditions which will lead to progress in both political and economic freedom. Yet, in some instances, our aid both military and economic, is granted in such a way that the citizenship of the recipient nation is generally either unaware that U.S. aid is being granted or, if aware of it, believes that such aid perpetuates existing political conditions.

I am concerned over the extent to which, through our foreign aid programs and otherwise, our Government has either openly or tacitly alined itself with authoritarian regimes. Political regimes of some countries to which our aid has been granted exist with but little discernible popular support and, in some at least, these regimes maintain themselves in power almost entirely by means of U.S. aid.

That we have supported and, in fact, now give support to dictatorships is self-evident. For what good reason was Peron decorated? What about aid to Batista? And now the new Government of South Korea promises, think of it, to clean up the U.S. aid program.

It may be truthfully said that the support we give to dictatorships is a matter of expediency, and undoubtedly it is with the hope that the dictators whom we aid will become enlightened and voluntarily bring about conditions under which democratic procedures will emerge. But the peoples who are oppressed by those whom we aid may not be impressed by, if, indeed, they can understand, the subleties of international power politics. What they must know is that those who exercise arbitrary rule over them are supplied their guns by the United States. As to economic aid, the trickle-down theory does not work even in the United States. There is even less likelihood that it can work or that it would be allowed to work in a country ruled by a dictator.

I recognize the problems faced by the policymakers of the executive department who administer our aid program.

First of all, I recognize that our Government cannot deal with individual citizens of a nation which is to receive our aid. If we are to deal at all, we must deal with the government which is in power. I do not suggest at all that this is merely a simple question of whether we shall choose to grant aid to a democratic government or to an authoritarian regime.

I am aware, also, of the fact that there is a limit beyond which we cannot go in attaching conditions to our aid, without subjecting ourselves to the charge that we seek to interfere in matters that quite properly should be subject to determination by the people of the recipient nation.

Nor can it be expected that we can create overnight the U.S. brand of democracy in areas where democracy is unknown and whose citizens are un-

prepared to discharge the responsibilities of citizenship in a democratic society.

Finally, the argument is made that we must in some instances at least, support an authoritarian regime, lest the incumbent be deposed and replaced by another who is equally authoritarian and less favorably disposed toward the cause of the free world. Admittedly, this argument has validity from the short-range point of view.

It is my considered opinion, Mr. President, while recognizing the arguments of expediency, that the extension of aid to dictators under conditions which lead to the perpetuation of the dictatorship, is contrary to what is, or ought to be, long-range U.S. policy objectives. In the final analysis, the battle of the free world against the Communist world, is a battle between the concept of freedom against the concept of despotism. A dictatorship of the right can be just as oppressive as is a dictatorship of the left.

In granting aid to authoritarian governments, we take a chance even with respect to the short-range point of view. If a despotic power that holds power, either in whole or in part as a result of our aid, should be overthrown, those succeeding it may or may not be friendly toward us. By virtue of our aid, we are identified in the minds of the people with the regime in power. If it goes down, so may we, in the eyes of the people.

We are even now experiencing a dramatic example of the disastrous effects which may flow from aid to a dictator. The present state of our relations with Cuba is due in large measure to our previous alinement with the cruel and corrupt Batista regime. Whatever may have been our reasons for giving aid to Batista, we are, in the minds of the Cuban masses, identified with him and his regime which, to say the least, did not deal gently with the Cuban people. In any event, it is obviously no problem at all for Fidel Castro to ignite among the Cuban masses the flame of bitter anti-Americanism.

Thus, while it may be argued that we must at times support a despot lest someone worse replace him, the Cuban example illustrates the point that when such a government is overthrown despite our aid, the alternative may be worse.

We are still giving military aid to Trujillo, one of the most repressive dictators of recent times, although I understand we will not furnish further military aid to him after the end of this fiscal year. The damage to the United States may, however, already be done. Should he be succeeded by a regime inclined to be unfriendly or skeptical toward the United States, our influence in the Dominican Republic may suffer for years to come just as surely as it is now suffering in Cuba.

Last fall I had the opportunity of visiting several countries in the Middle East and in south and southeast Asia. In many of these countries I was able to observe the results of our relationships, particularly with regard to the administration of our foreign aid, to some of the authoritarian governments throughout that area.

One of the purposes of my trip last fall was to investigate certain aspects of the administration of our foreign aid program in south Vietnam. I spent 3 days in field inspections throughout south Vietnam and conducted, together with the able junior Senator from Wyoming [Mr. McGEE], 2 days of hearings in Saigon.

In that country I found much reason for encouragement. It appeared that our foreign aid program has been generally helpful in advancing our foreign policy objectives.

I found greatly increased military strength and potential there. I found, also, evidence of greatly increased political stability.

But, although I realize the extremely difficult conditions under which the Diem government has been operating, I also wish emphatically to state that this authoritarian government is not making the progress toward democracy which I would like to see. Although the Diem government is ostensibly committed to a constitutional democratic rule for the future, it would appear that this future is a long way off, indeed.

In October 1955, President Diem called on the Vietnamese people to choose by referendum between himself and Bao-Dai. There was, according to official reports, 97.8 percent participation, and Diem received 98.2 percent of the vote. These statistics, Mr. President, have a certain Iron Curtain flavor.

In this respect, there appears to have been little change since 1955. The results of the elections to the National Assembly, held last August, will illustrate this. Although there are several political parties in South Vietnam, few are really opposition parties.

Let me say, Mr. President, that I have admiration for President Diem. With our aid, he has brought order to his country, and that is a notable accomplishment. He is a capable and highly respected man. He has undertaken many popular measures and, with our help, has built a base of considerable popular support. I would like to see him move more decisively toward liberal democratic government, however.

I recognize that movement toward democracy for any given country does not necessarily entail copying American methods and models. I am not so naive as to think that the United States can create democracies around the world in its own image. I do insist, however, that the first step toward responsible, democratic government consists in allowing the formation of responsible opposition. After all, the legitimization of a government consists largely in the establishment of responsible, organized opposition to that government.

I would hope that our continued support of the Diem government through foreign aid and otherwise will move that government in the direction of democratic procedures and processes. And I believe there are ways in which we could and should bring such an influence to bear.

Let us consider for a moment the political situation in South Korea. The Syngman Rhee government was formed under the auspices of the United States and has maintained power ever since with our direct and generous support. It has been difficult to determine what support the Rhee government had among the Korean people. In 1948 Rhee was elected President by the National Assembly in accordance with the Korean Constitution. Upon the approach of the 1952 election, however, Rhee was at odds with a majority of the Assembly, and it was apparent that he would not be reelected. Upon realizing this, Rhee forced through a constitutional amendment calling for the popular election of the President. I use the term "forced" deliberately because this amendment was accomplished by martial law and the arrest of a number of members of the Assembly. Yet U.S. aid continued.

In spite of the national police, Rhee won the presidency in 1956 by only 56 percent of the vote. This vote apparently shocked Rhee, and further repressive steps were taken. One of his opponents had died during the campaign, and the other was arrested, tried, sentenced to death, and executed. This execution was widely interpreted in Korea as a warning to opposing politicians, yet our aid continued.

In December 1958, Rhee again, with the assistance of the police, pushed more stringent internal security laws through the National Assembly, including one which ended the election of mayors and provided for their appointment. Several prominent newspaper editors have been jailed under the provisions of these new laws, one reportedly for publishing an article which was merely a commentary on the philosophical problems of majority rule.

The death at Walter Reed Army Hospital, of Chough Pyong-ok, President Rhee's opponent for the presidency, focused attention on Rhee's undemocratic conduct. After Chough had become ill and had come to the United States for treatment, Rhee moved forward by several months the date for the elections, thus giving his opponent no opportunity to campaign against him. Yet our aid continued.

We identified ourselves so closely with the Rhee regime, and our foreign-aid program has been administered in support of this regime in such a way that the complete loss of American influence in that country was threatened. Finally the people, particularly the young people of South Korea rebelled. President Rhee is out. Fortunately, a friendly government has succeeded to power.

Let us look briefly at the situation in Taiwan. Although we did not establish Chiang Kai-shek on this island, we have certainly made his control there possible. The native Formosans, who comprise some 80 percent of the population, have almost no voice in the government, which is run by a small clique within the Koumintang, maintaining the illusion of a national government over all of China. This government, in fact, exercises power over a people who do not comprise an

electorate. This government is responsible to no electorate whatsoever.

There has been some show of political opposition by the device of setting up "opposition" parties. These parties, the Democratic Socialist Party and the Young Chinese Party are, in fact, closely associated with the Koumintang, and do not constitute any real opposition. The Koumintang does occasionally allow an opposition candidate, even sometimes a Formosan, to run for office in provincial elections. Some of these opposition candidates have been elected, but if they become troublesome, they are removed by the National Government.

There is little in the way of democracy, and but few visible signs of any movement toward democratic procedures in the National Government on Taiwan. Here again, our aid programs have been administered in such a way as to identify the United States with the Chiang Kai-shek regime. At the termination of this regime, U.S. prestige and influence in this important outpost on our line of defense may be jeopardized.

Let us consider some of the regimes we are bolstering, although we do not have to take the dubious credit for establishing them, in the Middle East. I visited both Jordan and Iran. In those countries I saw an almost medieval way of life, with governments to match. In both cases, there is a lack of even simple forms of democratic self-government. These regimes, I believe, are kept in power by American assistance. Our aid, it must be said, serves many useful and good purposes. Moreover, there is promise of progress in both countries.

I have already indicated that we cannot expect to create democratic processes overnight. Admittedly, in many areas progress must necessarily come slowly. I do suggest that our aid program can and ought to be used in such a way as to promote some progress, however slow, toward democratic processes.

There is some evidence of progress, for example, in Pakistan, governed by an authoritarian regime receiving substantial U.S. aid. It is yet too early to say, however, whether this progress will eventually result in a democratic government.

Pakistan had and has special problems. Since the Indian subcontinent had been administered as a unit by the British, the partition left Pakistan with a dearth of trained administrators, educators, and intellectuals. An overthrow of the government of President Iskander Mirza in 1958 and the assumption of the presidency by Gen. Mohammed Ayub Khan did not necessarily constitute a "naked military dictatorship," as it has been classified by some.

The army has moved into the background and the country is now being ruled by a largely civilian bureaucracy. A land reform commission is active.

Gen. Ayub Khan has very recently moved to establish a new system of "basic democracies" on the local level. Elections are presently being held in each village for local councils which will be given considerable authority and responsibility for local affairs. A pyramid of higher councils is to be constructed, partly composed of members elected from the local councils but largely composed of appointed officials. This system, however, provides for no nationwide opposition and ultimate power in local as well as national affairs will remain with the central government. Its actual operation cannot be foreseen at this early date, but it is worth noting that it is a much more realistic and sound approach to the problem of introducing democratic government in a country with no traditions and experience with this sort of government than previous attempts to introduce it intact at the very top level.

If the experiment with "basic democracies" succeeds, Pakistan will have a base in local self-government upon which to build a national representative government.

If the military will encourage a growth of responsible political parties there may be a guidance toward some sort of democracy suitable for that country.

The recent election held in Pakistan is not encouraging. General Ayub has evidently felt compelled to show that his government has popular support. On February 14 a special vote of confidence was called for. This semiplebiscite was conducted among a special group of 80,000 electors at 413 polling places throughout Pakistan. General Ayub's policies received the endorsement of more than 94 percent of these 80,000 electors. This raises questions, does not settle them.

There are other examples in which, unfortunately, the trend toward democratic procedures which once appeared to be in process has now been reversed. Thailand is such an example. I visited Thailand 4 years ago. At that time there were at least some signs of a base upon which democratic procedures might be built. Political parties were in existence and representatives were elected to a parliament in which candidates of the opposition party were seated and in which democratic debate was held. In fact, Thailand was selected as the site for the annual meeting of the Interparliamentary Union, an international organization in which most nations of the world possessing parliamentary governments participated.

I visited Thailand again last fall. There is now hardly a semblance of parliamentary government. A coup d'etat executed by Field Marshal Sarit Thanarat in October of 1958 placed the military squarely and openly in power. However imperfect the parliamentary process in effect when I previously visited Thailand may have been, it is a source of regret to note the regression in democratic procedures.

The question now is in what direction is the present government of Thailand headed? As an indication of the probable future course of events, we might examine a statement of Foreign Minister Thanat Kooman. In discussing the 1958 coup, he said:

> We can, of course, try to revamp the imported institutions, adapt them to our needs and our own climate and replant them, with the hope that they will take root and prosper. My own view, and I like to think, the view of a number of people in Thailand now, seems to be that it is preferable to fall back onto ourselves, to withdraw into our shells and think, think hard and forget about these institutions for a while.

To me this is a rather clear indication that the leaders of the present government in Thailand are not contemplating any movement toward real democracy for a long time, if ever.

I do not suggest, Mr. President, that we should necessarily withhold all aid from the countries I have mentioned, or that we should henceforth extend aid only to those nations which already have democratic governments. On the contrary, we should use our aid program in such a way as to encourage progress toward democratic procedures in those countries where they do not now exist. I believe this can be done in most cases. In those where such is impossible, then I seriously doubt that the expenditure of foreign aid funds advances the long-range interests either of the United States or the free world.

Some way must be found by which our aid funds will improve the status of the people as individuals, rather than merely sustaining the regimes which happen to be in power.

Military aid cannot demonstrably provide assistance to the people. On the contrary, in many instances guns provided ostensibly to enable a dictator to resist Communist aggression are actually used, as I have said, to entrench an oppressive regime. This has frequently been the result of military aid to Latin America, as in the case of Cuba. Then, too, military aid to one country may encourage arms races among neighboring countries, not for the purpose of building strength against the possibility of aggression by a common foe, but for use against each other. Such conditions have occurred both in Latin America and in the Middle East. We are sometimes in the position of aiding two neighboring countries to arm against each other. The extension of military aid under such conditions should be drastically curtailed.

Economic aid, both in concept and in direction, should be revised so as to emphasize programs which will better the political and economic conditions under which individual citizens must live. At the very least, we should avoid the expenditure of aid funds for programs which perpetuates an oppressive regime.

Among other steps, we should put increased emphasis on educational programs, particularly in those areas in which illiteracy is high and in which there are few opportunities for professional training and advanced study, even by the few who are financially able to afford it. An improved educational level will both fill a definite need and provide a base upon which to build the principles of democracy.

While there are limits to the type of condtiions we can attach to the expenditure of economic aid funds, we can certainly do more than we are now doing.

We should surely take steps to eliminate mismanagement in the administration of economic aid funds on the part of officials of recipient nations. Individual citizens in countries receiving our aid cannot be expected to appreciate the help we seek to extend when they know that a large percentage of the money

winds up in the pockets of those in power. Such a situation makes a mockery of our announced purpose of helping others to help themselves.

In Vietnam our own ICA mission is not even permitted access to records maintained by the Diem government which reveal the disposition of certain ICA supplies granted to that government, or to ascertain the levels of supply of materials which remain on hand. Surely, we have a right to know what happened to our money.

In my opinion, individual projects in underdeveloped countries should be reviewed more realistically from the standpoint of the present state of development of the local economy. Somehow, it seems that we have gone overboard on the theory that the answer to our problems is industrialization. We create, or allow to be created, the impression that can or will industrialize one nation after another. The people wait for the miracle which does not come and which, in most cases, cannot come.

We sometimes send bulldozers where there is a crying need for individual tools. If the peoples of an area are to understand and appreciate our efforts to help them, we must aid them in ways they can see and feel and understand. Certainly, our aid program does not meet this test in many countries which we now aid and which are ruled by a dictatorial regime.

Essentially, we should help the people help themselves. The purpose of our foreign aid program is twofold in nature. In our own enlightened self-interest, we seek to buttress our own security by strengthening other nations. Moreover, we are motivated by the humanitarian desire to help others achieve the things we now enjoy. Resort to expediency must not be allowed to dominate the pattern of our foreign aid program.

Despite these criticisms, despite the urgent need for better administration and direction of the mutual security program, I believe it must be continued in the national interest. Our security requires it. Improvements must and will, I believe, be made.

Mr. President, I withdraw my amendment.

Mr. COOPER. Mr. President, I submitted an amendment earlier, in order to speak. I wish to withdraw my amendment.

ADJOURNMENT TO MONDAY AT 10 A.M.

Mr. JOHNSON of Texas. Mr. President, if no other Senator desires to address the Senate, I move, under the order previously entered, that the Senate stand adjourned until 10 o'clock a.m. on Monday.

The motion was agreed to; and (at 4 o'clock and 40 minutes p.m.) the Senate adjourned, under the order previously entered, until Monday, May 2, 1960, at 10 o'clock a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate on April 29, 1960:

POSTMASTERS

ALABAMA

Virgil B. Huff, Brundidge.
John D. Lassiter, Hartford.
Albert T. Tucker, Sweet Water.

ALASKA

Virginia L. Simonds, Annette.
Alice P. Harris, McGrath.
Norma I. King, McKinley Park.

ARIZONA

Agnes M. Young, Dateland.

ARKANSAS

Ernest E. Castleberry, Bono.
Devoe Bollinger, Jr., Horatio.

CALIFORNIA

Ruth H. Burkett, Cedar Glen.
Donald F. Cox, Hollister.
Eva C. Edwards, Littlerock.
John A. Black, McClellan Air Force Base.
Nine E. Slade, Tahoma.

COLORADO

Harold W. Best, Larkspur.

DELAWARE

Martha E. Armstrong, Cheswold.

FLORIDA

James O. Mahon, Apalachicola.
George C. Coker, Bartow.
Robert T. Arnold, Brandon.
Lorence E. Brandon, St. Petersburg.

GEORGIA

Hal D. Carlisle, Camilla.
Henry R. Taylor, Cumming.
Horace J. Healan, Hoschton.
Pauline T. King, Sea Island.

IDAHO

Wayne Shaeffer, Nesperce.

ILLINOIS

Christian M. Willman, Jr., Deerfield.
Milton L. Farney, Forrest.
Robert F. Baker, Oakwood.
Renton Pullen, Princeville.
Paul H. Eberle, Wonder Lake.

INDIANA

George L. Reitz, Chrisney.

IOWA

Glorla L. Pool, McCausland.
George W. Munns, Okoboji.

KANSAS

Boyd W. Ensley, Cambridge.
William S. Stevenson, Clay Center.
Frank W. Peterson, Home.
Gottfreid W. Staub, Jr., St. John.
Thomas B. Standard, Winona.

KENTUCKY

Jean C. Hall, Viper.

LOUISIANA

John T. Baldwin, Jr., Bernice.
Bobby Ray Holley, Dubberly.
T. James Russell, Logansport.
Myron J. Parr, Plaucheville.

MAINE

Douglas G. Jenney, Belgrade.
Edward T. White, Vinalhaven.

MARYLAND

Ethel M. Grover, Solomons.

MASSACHUSETTS

A. Eugene Feio, Central Village.
Hugo A. Taglierl, Haverhill.
Edward B. Walker, Millbrook.
William H. Evans, Webster.

MICHIGAN

Milton R. Hein, Ada.
Louis Gee, Farwell.
Sayre H. Ostrander, Grand Marais.

MINNESOTA

Raymond R. McAloney, Breckenridge.
Harry A. Smith, Mound.

MISSISSIPPI

Sam L. Mansell, Camden.
Lillie R. Yelverton, Hattiesburg.
Thomas H. Buford, Holly Springs.
Levi C. Jenkins, Jr., Sallis.
Frank L. Middleton, Woodland.

MISSOURI

Robert C. Greenwood, Brunswick.
Elwood C. Thompson, Oran.
William H. Lea, Steelville.

MONTANA

Alfred H. Wilkinson, Butte.
Phyllis A. Lea, Inverness.
Sherman S. Cook, Jr., Lincoln.

NEBRASKA

Warren W. McBride, Archer.
Marle A. Bodzek, Linwood.

NEVADA

William A. Leno, Owyhee.

NEW HAMPSHIRE

Earle W. Ladd, West Stewartstown.

NEW MEXICO

Romeo A. Ortis, Bernalillo.
Robert W. Prunty, Red River.

NEW YORK

John J. Hogan, Flushing.
Horace F. Davies, Plattsburgh.
Joseph N. Vogel, Wallkill.
Albert B. Hibbert, Winthrop.

NORTH CAROLINA

Glenn O. Pasour, Bessemer City.

NORTH DAKOTA

Albert Maier, Ashley.
Verna L. Becker, Inkster.
Hazel F. Elness, Sterling.

OHIO

Harriett R. Vasbinder, Brinkhaven.
Clarence J. Loch, Salineville.

OKLAHOMA

N. Berniece Henderson, Brass.
David L. Ratliff, Fort Cobb.
Edward E. Weeks, Indianola.
Geral D. Carlin, Picher.

OREGON

Martha H. Anderson, Gardiner.
Arthur J. Hansen, Hood River.

PENNSYLVANIA

Robert G. Burgan, Cresson.
Stanley H. Ward, East McKeesport.
Paul R. Buehler, Fort Carbon.
Lester I. Heist, Robesonia.
Rudolph Simitz, Spinnerstown.

SOUTH CAROLINA

Henry F. Rucker, Bath.
Thomas P. Edwards, Gresham.
Angelne R. Cobb, Hodges.
Louise R. McLeod, Rembert.
Earle W. Crosby, Smoaks.
William B. Laye, West Union.

SOUTH DAKOTA

Eldon H. Robbins, Carthage.

TENNESSEE

William F. Parrott, LaFollette.
Clarence H. Davis, Signal Mountain.

TEXAS

Sam E. Henderson, Atlanta.
Charles L. Jones, Chandler.
Wilbur W. Mueller, Flatonia.
Issac J. Newman, Moody.
Corolee J. Wismar, Sabine Pass.
James D. Baldwin, Seagoville.

VERMONT

Donald R. Dayton, East Middlebury.

VIRGINIA

Bessie C. Townshend, Bluemont.
John M. Corstaphney, Clifton Forge.
John R. Pritchard, Jr., Emporia.
John C. Raiford, Ivor.
Willie W. Smith, Sedley.

WEST VIRGINIA

Robert C. Fenton III, Williamstown.

WISCONSIN

Richard C. Coffen, Lake Tomahawk.
Sylvester J. Penning, Stockbridge.
Donald O. Miller, Thiensville.
Earl J. Murray, Webster.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For Department Staff Only)

Issued May 3, 1960
For actions of May 2, 1960
86th-2d, No. 79

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HIGHLIGHTS: Senate committee reported Ellender wheat bill. Senate passed mutual security authorization bill. House committee reported (Apr. 29) Defense Department appropriation bill. House committee reported bill to revise Farmers Home Administration laws. Several Representatives urged passage of depressed areas bill. Reps. Andersen and Jensen introduced and Rep. Andersen discussed farm program bills.

SENATE

1. MUTUAL SECURITY; FOREIGN AID. By 60 yeas to 25 nays, passed H. R. 11510, Mutual Security Act of 1960, after substituting for its text the language of S. 3058, which had first been amended by adoption of a committee amendment (in the nature of a substitute), as amended (pp. 8370-1, 8376-420). Prior to this action, the following actions had been taken on amendments to the committee substitute amendment: Agreed to, by 45 yeas to 38 nays, a modified Ellender amendment to eliminate language which would amend Public Law 480 with reference to use of foreign currencies and use of surplus agricultural commodities in aiding needy peoples, and promoting economic development of underdeveloped areas (pp. 8383-88). Rejected, by 40 yeas to 45 nays, the Gruening amendment to require non-military flood control and other land resource projects abroad to conform to certain Budget Bureau standards (pp. 8376-8); by 28 yeas to 57 nays, Ellender amendment to eliminate language that would authorize certain repayments by foreign countries in the form of commodities (pp. 8389-91); and the Fulbright amendment providing that in giving effect to the principles that the U. S. favors freedom of navigation in international waterways and economic cooperation

between nations, the President should not normally apply them to a situation wherein nations receiving aid under the Mutual Security Act or Public Law 480 are engaged in actions detrimental to peace and application of the principles would constitute partiality in the dispute (pp. 8414-17). Conferees were appointed (p. 8420).

Both Houses received from the President the seventeenth semiannual report on the operations of the mutual security program for the period ending December 31, 1959 (H. Doc. 373). p. 8343, 8434

2. RETIREMENT. The Post Office and Civil Service Committee reported with amendment S. 2857, to amend the Civil Service Retirement Act so as to provide for refunds of contributions in the case of annuitants whose length of service exceeds the amount necessary to provide the maximum annuity allowable under such act (S. Rept. 1302). p. 8344

3. WHEAT. The Agriculture and Forestry reported with amendment S. 2759, to strengthen the wheat marketing quota and price support program (S. Rept. 1306). p. 8345

4. EXPENDITURES. Sen. Byrd submitted a Joint Committee on Reduction of Nonessential Federal Expenditures report on Federal employment and pay for the month of March, 1960, together with his statement on employment in the executive agencies by months in fiscal year 1960. pp. 8345-8

5. SALINE WATER. The names of Sens. Wiley, Kuchel, and Allott were added as cosponsors of S. 3446, to amend the act of July 3, 1952, as amended relating to research and development and utilization of saline water. p. 8352

6. AIR POLLUTION. Sen. Clark commented on a Public Health Service scientist report on air pollution, inserted a newspaper article relative to cancer agents found in city air, and urged favorable consideration of S. 3108, a bill to extend the Federal air pollution control law. pp. 8364-5

7. FOOD ADDITIVES. Sen. Morse inserted a magazine article which he described as an effective presentation of the position taken by farmers who resent being "the whipping boy of politicians, metropolitan newspapers, and nationally circulated magazines," and stated that an early release of the Science Advisory Committee's report on the effects of food additives and residuals will be welcomed. pp. 8421-2

HOUSE

8. APPROPRIATIONS. The Appropriations Committee reported without amendment (on Fri., Apr. 29) H. R. 11998, the Defense Department appropriation bill for 1961 (H. Rept. 1561). p. 8503

9. INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1961. Disagreed to the Senate amendments to this bill H. R. 10401; conferees were appointed. p. 8433
Senate conferees have been appointed.

10. PERSONNEL; ATTACHES. Passed over, at the request of Rep. Gross, H. R. 8074, to permit the assignment of agricultural attaches to positions in the U. S. for a maximum of 4 years without reduction in grade. p. 8436

11. PESTICIDES. Passed over, at the request of Rep. Aspinall, H. R. 7480, to amend the Federal Food, Drug, and Cosmetic Act so as to provide that the term "chemical preservatives" shall not apply to a pesticide chemical when used in or on a raw agricultural commodity produced from the soil, and to require that

whom, indeed, would the doctor withhold criticism? The patient—for what reason? His associates—on what pretext? His journals—that are subject to public reevaluation? To whom then? Dr. Bean's suggestion is a senseless and disgusting performance which should not go unchallenged and corrected.

For the past several months I have called upon the major pharmaceutical manufacturers as executive director of the American Physicians Foundation (a nonprofit corporation) to secure a monetary gift to finance the foundation's membership drive. This industry, since it is best equipped to measure the physicians' needs, was the logical selection for solicitation. It is the intent of the directors (all physicians) to collect, assemble, and distribute information to the members that they will find useful in the fiscal control and efficiency of their practice. First of all there has been no real encouragement from the drug industry to support a society of physicians and no—not the remotest feeling on either side that the consideration of such a grant places either in anything like a trading position. We are not unhopeful of ultimately resolving our financial needs and I would hope through the insight of a pharmaceutical house into an area of growing need whose solution must be found by an objective entity. Surely a productive effort likely to increase the physician's available time is a relevant and worthy investment of the drug industry.

The issues, upon which the pharmaceutical industry is being examined, are not altogether clear. The committee's preoccupation with the profit factor is so arbitrary an item of debate the most zealous members of the committee appear to have no fixed estimate of what they think it ought to be and react with virginal astonishment when they find out what it is.

A hard look at the nature of the drug industry discloses an operation whose financial romance is constantly menaced by the threat of product obsolescence and ultimately by definitive chemical therapy, ironically enough a cherished development of its own design. No sane member of society would delay the advent of so profound a gift to society. Such promise is not wrought by custodial proprietorship that endures in a kind of static hibernation fixed securely by the set formula of equitable profit. The grand corollary of great reward—greater risks attracted by an incentive for profit has supplied this splendid industry with the machinery and talent to serve the Nation and the world as none other have served it. No quasi-social entity with its bureaucratic suffocation could meet a challenge that demands swiftness and determination where only the creative can survive. Restrict and control it and you risk the peril of reducing the momentum of humanity's greatest promise.

The diversion of manpower from the daily operation of the several drug houses to attend to the discussions taking place in the hearing chambers ought to be foreshortened by the prudent judgment of the committee. So long as they continue the compelling fiducial responsibility of management is obliged to protect the interests of a company that is the provider for many thousands of employees and stockholders whose capital has made the wide and effective distribution of medicine possible. Many of these shareholders are minor legatees to whom the company and the committee owe a yet greater measure of care. If drug securities were depressed, how anxious would any of us regard the loss of the stockholders' equity? We all know the answer: we should reply that the risk-taking element is the definitive characteristic of the common stock investment unlimited on the downside as it is on the upside. The investor can lose all and often does.

It has been claimed by many reasonable witnesses that a reduction in the type and quantity of advertising should be urged on the pharmaceutical industry on the grounds that manifest scientific enlightenment ought not be augmentcd by artful copy and such other attention-getting displays as are commonly employed to publicize drugs. That point is rightfully made but haven't we all wished at one time or another, perhaps in every election campaign, that one might stand or fall on performance and consideration of issues to the exclusion of frivolous and immaterial appeal. Yet the gravest movements are implemented by resourceful appeal to which the reflexes are conditioned to respond. Physicians, as Dr. Leek emphasized, are not simpletons; still they are ordinary men exposed to a conglomerate of communication and its colorless and wearisome presentation adds nothing to its accuracy.

To meet the enormous and critical need of the sick and ailing the drugmaker must maintain and renew his equipment and employ a very highly competent work force: No affront to the committee is intended when we add: this takes money. The capital to sustain and improve this medical entity must be attracted by a program of product exposure that the prospective investor will regard favorably. The heavy cost of advertising is not an elective expense of doing business so long as ordinary men and women respond to the attractive stimuli calculated to arrest attention: generic identification and statistical support of the professional authority testing the product either precedes or follows whatever graphic appeal introduces the subject. As for the wider application of generic terminology, we are advised that it should continue to be the choice of the physician. The labeling of medicine is most useful to the patient when brand identity is used: to him generic description is putting the unknown in terms of the not worth knowing.

It is not the business of the American Physicians Foundation to defend the operation of the pharmaceutical industry. It is or should be the interest of all to correct misstatements of so substantial an influence as those made before a Senate committee and to object to the abuse on an industry worthy of our highest opinion. When the alternative method of running the delicate machinery of producing medicine is considered, all we have to say is, the more it is understood the less it is desired.

REMARKS ON INVESTIGATION OF THE DRUG INDUSTRY BY DR. OSCAR ALDEN, RED OAK, IOWA—LETTER DATED DECEMBER 9, 1959, TO SENATOR HICKENLOOPER

DEAR SIR: The Government is now going to investigate the drug companies. In a quotation from the Wall Street Journal, Senator KEFAUVER said their investigations of other industries had not created much interest but thought this one would create a lot of interest. My immediate reaction was: "Is Senator KEFAUVER conducting these investigations for the good of the people and the industry, or for the good of KEFAUVER?" His statement makes me inclined to think the latter is all too true. I have been in practice in Red Oak, Iowa, since July 1936, and during that period we have had the most fantastic growth in knowledge of the care, treatment, and prevention of diseases, accidents, and infirmities of people since the beginning of recorded time. It is interesting to note that this growth occurred among free people of the world. Each succeeding country, to lose that freedom, fell behind in advancing this knowledge. Germany went from the top to near the very bottom. American scientists in medicine have won 36 percent of the Nobel prizes in medicine, in fact, 2.7 times more than any other country. Almost all of this advancement has been due to the combined development of technique and new drugs. One impossible without the other.

Commonplace surgery today would be unheard of and impossible without the development of antibiotics, anesthetic materials, (drugs and gases), and knowledge of the basic body needs for vitamins, minerals, caloric requirements and the development by the drug industries of materials and means of replacing these for long periods of time, even to unconscious or anesthesized people.

The development of the miracle drugs, (steroid compounds), for arthritis has been phenomenal both in discovery and improvement, as well as lower cost, which has been consistent since its first discovery. What is the proper reward for the people who developed and improved both the product and the means of producing all these drugs? George Washington died probably due to a strep throat infection; a condition treated routinely in our offices today with very little loss of time and practically no deaths. Calvin Coolidge's son died from an infected blister on his heel from playing tennis; a condition that we treat with complete recovery in a relatively few hours today. What is the cost of these drugs today? Both men could have been saved for the price of a case of beer, a fifth of whisky, or a few cartons of cigarettes.

If Senator KEFAUVER and his subcommittee find that the drug industry as a whole are not shysters or thieves, or vultures preying on old defenseless people, will this committee give them a "good housekeeping seal of approval," or will it be up to the president of one of these companies to send letters to all physicians of the country stating that after spending numerous man-hours, and thousands of dollars, they were acquitted, leaving the bogeyman picture he created in the minds of our elderly people and those on fixed income.

This will undoubtedly take the time of many qualified men and untold sums of money thus added to the costs of drugs, with no improvement in a single lifesaving or pain-relieving drug.

If the pharmaceutical companies as a whole are found to be crooks and thieves by this investigation, then I would like to be permitted one request, i.e., that I be allowed to stand up and be counted with such thieves and crooks who have made the health and care of the American people the best in the world.

Our Public Health Department is very good. They made the standards for testing polio vaccines, but did they offer to defend Cutter Laboratories in the many lawsuits they had because of live virus in their vaccine, not found by public health standards—I'll take company name and product pride over all Government control.

Small companies sell for less money. It has been said "Nothing has been made but what someone could make it with inferior materials and sell it for less money." One very prominent (not to their desire) small drug company specialized in selling the same drugs for less money to dispensing physicians, and they brought out and sold elixir of sulfanilamide. The rest of that story is history in our time. No thank you. I would not give any cheap drugs from a small company to either my family or my patients. They might be just as good, and again—funerals are so expensive.

Yours very truly,

OSCAR ALDEN, M.D.

AROMA PARK, ILL., *April 18, 1960.*

Hon. EVERETT DIRKSEN,
Senator from Illinois,
Washington, D.C.

DEAR SIR: I have been reading in the press that you intend to challenge Senator KEFAUVER on some of his statements and conclusions in the drug company investigations.

Senator KEFAUVER thinks that physicians should write the chemical formulas instead of "brand names" in all prescriptions. You might suggest that he inform himself upon some of the very complicated chemical formulas which are being constantly developed by the skilled drug company chemists.

As an example, one drug company has a product whose brand name is "Peritrate." Its chemical name is penterythritol tetranitrate. It is a coronary vasi-dilator. The company also puts it up in a convenient tablet combined with nitroglycerin and another with phenobarbital. Also, all of these in sustained action capsules. Which means that one capsule will maintain a certain level of the drug action for a given period of hours and this result is obtained by tiny particles which disintegrate at varying periods of time. Is anyone naive enough to assume that such a product could be developed and manufactured without enormous expense?

Imagine the time which would be consumed by busy doctors in writing the prescriptions for these medications out in full, including the name of the manufacturer, and picture, if you can, the confusion of the pharmacist who would have to decipher them. The illegibility of prescriptions has forever been the headache and pet peeve of pharmacists and the standing joke of the laity.

This illustration I have given is a very simple one compared with many of the standard and effective drug preparations which are daily used by physicians. The brand names are by no means secret, nor patent medicines. Complete literature regarding them is supplied to physicians and pharmacists by the drug manufacturers, including the details of the experimental work done in developing and producing them. The brand names are for convenience and also for identification. Each drughouse has certain products which physicians find useful and effective in their practice. Stocking them by pharmacists is also made possible by brand names.

Most truly yours as a "50-year club" member of the medical profession.

JOY R. CORRELL, M.D.

THE MUTUAL SECURITY ACT OF 1960

Mr. WILEY. Mr. President, I rise in the morning hour to pay a compliment to the chairman of the Foreign Relations Committee, the Senator from Arkansas [Mr. FULBRIGHT] who has been working very, very hard on the Mutual Security Act.

Thus far, I have had very little to say about that measure. The Senator from Arkansas has had the problem of handling its presentation to the Senate. The problem is the Nation's; he has been doing a good job.

I agree with the statement made by the Senator from Arkansas that most of the people of this country do not realize the significance of mutual security at this time. We talk about the danger of a world war, we talk about a shrunken earth, and we talk about every nation being the neighbor of all other nations; but then we forget that mutual security is the main weapon for peace; we need it in order to stave off a world conflagration or a bonfire.

Although to many of my constituents the funds requested seem to involve a giveaway, yet in my opinion, no particular waste is involved, because, first of all, the use of these funds gives employment to between 500,000 and 600,000 Americans; in the second place, this program helps us get rid of surplus commodities which we have; and, over and above all else, the program has back of it the purpose of meeting situations which are threatening, and which might result in open warfare.

Because of the responsibility of the United States of America, with her tremendous wealth, her extensive productivity, and her great working force of 70-odd million persons, I believe this situation presents to us a challenge to keep our country on an even keel economically and in good working shape. Mutual security is a great aid in that direction.

I agree fully with the general attitude of the committee, even though, I might disagree in regard to several items.

The ACTING PRESIDENT pro tempore. The time of the Senator from Wisconsin has expired.

Mr. WILEY. Mr. President, I ask unanimous consent that I be granted an additional 2 minutes.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, the Senator from Wisconsin is granted an additional 2 minutes.

Mr. WILEY. Mr. President, the provisions of the pending bill are fully described in the report of the Committee on Foreign Relations and I will not therefore retrace that ground. Nor is it my intention to go into the reasons for the action taken by the committee with respect to the bill, for the report also covers them well. My remarks, rather, will be confined to some general observations on the mutual security program.

Mr. President, to see the mutual security program in its proper perspective, it seems to me that we have to view the world of today as it really is, for the two are vitally interwoven. It used to be that our relationships revolved around small units; the extent of our external affairs was pretty well encompassed in our abilities to get along with our next-door neighbors. As our Nation grew both in population and importance, as our trade and commerce increased, we found it necessary to broaden our horizons and deal with those folks who lived beyond our own main street. Even so, we could still stay mostly within our own national yard. Today, all that has changed. We are now living in an age we couldn't have imagined a few years back, an age in which the streaking jets and whizzing rockets can portend ominousness—or omniscience—depending on man's will and the way he goes about expressing it. No longer can our lives and our visions be confined to a "Main Street, U.S.A.," a Chippewa Falls, Wis., or even a Washington, D.C. In this thrashing and turbulent world, it became quite obvious that we could no longer adequately protect our own security from within our own boundaries alone, and, indeed, obvious that our security interests themselves were no longer a matter of our own shorelines. Thus, in a shrinking world, but a world with expanding problems, the United States formulated the mutual security program to mark step with the changing times.

Now, Mr. President, there are those who said in the beginning—and there are those who are still saying—that we can't really afford the mutual security program, that it is a cool invitation to national bankruptcy and a sure move to economic disaster. Assuredly, the program does have an effect on our domestic economy; but it does not have the dire impact some people think. As a matter of fact, the expenditures made under the program are less than 1 percent of our gross national product and about 5 percent of our total Federal budget expenditures. And some five to six hundred thousand workers are employed in the United States as a result of foreign aid expenditures.

I do not wish to be construed as belittling the amount spent on this program, however. Every nickel counts, and when the administration witnesses appeared before the Committee on Foreign Relations to justify the program, I sharply questioned where that nickel goes. Well, of the total military aid moneys spent, 90 percent of them are initially spent in the United States. Moreover, an outside factor, one not directly related to our military aid contributions, but generated by the collective defense efforts we are making with our free world partners, is the purchase in this country of spare parts and other military equipment by our allies. That this is no small item is indicated by the fact that purchases of equipment, supplies and services by European NATO countries under the authority of military sales provisions of the Mutual Security Act were $237.5 million in fiscal year 1958 and $310.9 million in fiscal year 1959. And those totals, it might be added, do not include purchases by those countries which were made direct from U.S. commercial sources.

Speaking of our European NATO allies, there has been a trend toward significant increases in their own defense spending. In 1953 we were paying about 28 percent of their total defense costs; today, the figure is down to about 8 percent. That is a healthy trend, and one certainly to be encouraged.

Another factor to be remembered in appraising the militairy aid program is that the amount spent in this way makes it possible for us to spend less on defense here at home. I will not belabor the point—a point which has been made on the floor of the Senate many times before—but, through this program, we can often achieve far more in the way of defense when we contribute to the maintenance of allied countries' troops than if we were to have to station our own soldiers abroad.

The bill before the Senate does not, of course, deal this year with an authorization for military assistance. That category of aid, though, is the largest single component in the total program. I, therefore, felt it might be appropriate at this time to bring out certain facts as the Senate will soon be passing on the amount and the American taxpayer is going to be footing the bill.

It seems to me, too, that we all might do with a reminder that this program was designed to meet a mounting Communist military threat to the free world. That threat has not subsided one iota, even though the Communist overlords would like to entice us into thinking so, by relatively meaningless troop reductions and by twirls of peaceful coexistence banners. While the original threat had its origin in Moscow, and that threat still steams ahead, I would caution my colleagues that a newer and perhaps more deadlier threat may well lie ahead in the mammoth protrusions of a surging Red Chinese regime.

Nor should we lose sight of the Communist economic threat. Not only is the growing economic prowess of the Soviet Union and Communist China a threat in terms of their inner growth potential, but the Sino-Soviet bloc also has touring aid programs, which need not be feared were it not for the fact of the accompaniment by technicians highly indoctrinated in Communist ideology and skilled in takeover tactics. That the Sino-Soviet bloc feels that its aid programs to underdeveloped areas offers promise can be noted by the fact of their steady increase. During 1959 the bloc extended some $921 million in credits and grants, almost entirely in the economic realm.

It is not by reason of Communist activities in the aid field, however, that our economic aid programs derive their validity. It is strictly in our own national interests to assist the underdeveloped nations of the world make some meaningful economic strides.

Our economic aid helps create conditions in which economic viability can emerge and political freedom progress.

We would also do well to think of the economic program in terms of our own economy. Underdeveloped countries cannot buy much from the United States. They cannot afford to. It logically can be expected, though, that with improved economic conditions, they will become better customers for our products, which means more exports, more jobs for Americans.

In this connection, I might say that the economic aid money is not being shipped abroad in barrels, as some of the opponents of this program would have us believe. As a matter of fact, half of the dollars we spend on economic aid are spent, in the first instance, in the United States. And, of course, as in the case of military aid, there are many indirect expenditures here which stem from our economic contributions to other countries. And much effort is being made in this area toward a welcome shift toward loans from grants.

Mr. President, I am a supporter of the mutual security program, because I believe it is in the interests of the American people. Not all of the projects undertaken under the program have been glorious successes; there have obviously been failures which always make good copy and attractive headlines, despite the fact that they may have been small failures. I do not wish to minimize the mistakes which have been made, Mr. President, nor to say that it is all right to continue making the same ones over and over. I do say that the most important thing is that there is not an unreasonable amount of them and that those which have been made are not repeated. Improvements are being made every day, quietly but assuredly.

One fitting comparison of this program might be made by stacking it up with an American's venture into the stock market. There he is investing in America's future. Here, under the aid program, we are investing in America's future and in the future of the free world. Some of our investments may not pan out. Others may be spectacular. Still others may take a while to materialize. And mistakes, both in judgment and management, may occur. But if the investments are not made, there will not be any opportunity for growth. If we are careful—and I think we are—in making our investments in the mutual security program, those showing reasonably good prospects for success, over the long run, Mr. President, I think our efforts will succeed.

CONSTITUTIONAL GOVERNMENT

Mr. THURMOND. Mr. President, on Thursday, April 28, 1960, the very distinguished and scholarly constitutional lawyer, the Honorable Charles J. Bloch, of Macon, Ga., made a very able and outstanding address before the Richland County Bar Association in Columbia, S.C. This great American has won much admiration and respect throughout this country as an authority on constitutional law and the rights of the States. In 1958 his excellent book entitled "States Rights—The Law of the Land," was published, which I feel should be read by every American. Members of Congress, particularly those on the Judiciary Committees of both Houses, are especially well acquainted with Mr. Bloch, because of the most favorable impressions he has left with them in eloquently arguing time and again before the Judiciary Committees in behalf of adherence to the Constitution, the rights of the States, and the importance of preserving local self-government and individual liberty in America.

I ask unanimous consent, Mr. President, that the text of Mr. Bloch's address, which appeared in the May 1 issue of the State, Columbia, S.C., be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TEXT OF BLOCH'S SPEECH BEFORE BAR ASSOCIATION

One hundred years ago this month a debate raged on the floor of the Senate of the United States.

There was pending a bill for a Federal appropriation to support public schools in the District of Columbia. Senator Henry Wilson, of Massachusetts, proposed an amendment to it providing funds for the education of Negroes.

Senator Jefferson Davis, of Mississippi, characterized the amendment as "but one of many evidences which daily events bring to us of the hastening of that period when our brethren shall no longer stand united as the descendants of our ancestry, and the maintainers of our Government. This pseudo-philanthropy is an excrescence upon the American mind, sprung from a foreign germ, inoculated here to the destruction of the healthy growth of our political tree."

The year before, that germ, conceived in foreign lands, nurtured in New England, produced the raid of John Brown, of Kansas, intended to liberate slaves by force. Leaving "bloody Kansas," John Brown and his followers invaded Virginia, to be met and subdued at Harpers Ferry by U.S. Marines, with Col. Robert E. Lee, 2d U.S. Cavalry, in command.

Tried for treason, John Brown was convicted and hanged December 2, 1859.

SOLDIERS SANG

When Union soldiers marched into Virginia a few years later they sang:

"John Brown's body lies a moldering in the grave, but his soul goes marching on."

That, though, was then still in the future.

Shortly after that April 1860, debate on the floor of the U.S. Senate, the conventions of the Republican and Democratic Parties assembled.

William H. Seward, of New York, former Governor of New York, was the leading candidate for the Republican nomination. But Abraham Lincoln defeated him. Lincoln was pledged against every principle held dear by the States of the South.

When Lincoln was elected in November over his Democratic opponents, South Carolina, on December 20, 1860, seceded from the Union, followed by Mississippi, Florida, Alabama, Georgia, Louisiana, and Texas.

They formed the provisional government of the Confederate States of America and on February 9, 1861, at Montgomery, Ala., chose Jefferson Davis, President.

State troops seized U.S. forts and arsenals throughout the South.

For 40 days ensuing from his inauguration until April 14, 1861, Lincoln wavered between abandoning Fort Sumter, in Charleston Harbor, and seeking to reprovision it.

Finally, he chose the latter course.

SOUTH CAROLINA LED ASSAULT

When he did, South Carolinians led the assault upon it. On April 14, 1861, Fort Sumter fell. The next day, Lincoln called for 75,000 volunteers. And 2 days later, Virginia joined the band of brothers followed shortly by Arkansas and North Carolina. Tennessee entered into a military league with the Confederacy. Under the protection of Confederate troops, Missouri's Legislature adopted a resolution of secession.

Those 11 States elected Jefferson Davis permanent President of the Confederate States of America, October 16, 1861.

He was inaugurated in Richmond on Washington's birthday, 1862. In the meantime, General Lee had resigned from the U.S. Army. He became the peerless leader of the soldiers of the Confederacy—your honored sires and mine.

After struggling for 4 years, Lee surrendered what remained of his troops.

I have read and studied much history.

The bravest people of whom I have ever read, or ever heard, were the southern women and men of the Confederate States of America. They were valiant, they could and did face hardship after hardship, far, far greater than the closing of public schools, hour after hour, day after day, month after month, year after year.

HAD COURAGE

They had the courage and the fortitude to endure hardships because they knew they were right. They knew, as we know now, that only through adherence to the Constitution of the United States could this Nation hope to survive.

They did not fight, bleed, and die, they did not pauperize themselves and their children to save the institution of slavery.

They knew that if the States of the North could violate the solemn provisions of the Constitution of the United States forbidding the taking of private property without due process of law, that the Constitution was a mere scrap of paper. They knew that if the compact or contract entered into by their forefathers could be by might cast away in one respect, greater might could cast it away in all respects.

They knew, therefore, that the Union could not survive if, in any or all respects, might was to be the master of right.

The men of the South fought for that principle even though it meant the utter devastation of the land they loved.

For 4 long years they fought.

When the tide turned at Gettysburg, when Vicksburg fell, when Sherman burned Atlanta, when he marched through Georgia to the sea, burning and destroying, and pillaging; when he turned from Georgia into South Carolina, and continued his burning and pillaging, then and only then did our beloved General Lee surrender to Sherman—Lee on April 9, 1865, and Johnston just 95 years ago—April 26, 1865, at Durham Station, N.C.

NO MARSHALL PLAN

Repeating what I said on the floor of the Democratic National Convention in Philadelphia 12 years ago—there was no Marshall plan for us of the South. The Humphreys and the Kennedys and the Douglases and the Javitses and the Paul Butlers of that day seized upon the assassination of President Lincoln as an excuse for tyranny which has never been known in our subjugation of a foreign nation.

There was no treaty of peace.

There were the three war amendments to the Constitution supposedly adopted in the period between 1865 and 1870.

Loudly had Lincoln proclaimed in 1861 that no State had a right to secede from the Union.

Just as loudly did the Reconstruction Republicans of the tragic area of 1865–70 proclaim that the States of the South could not be readmitted to the Union until they had ratified those war amendments.

The law of the land in 1865–70 seemed to to be: You can not leave the Union; you have never legally left it; but we will not let you back in the Union until you have ratified these amendments because without you we have not sufficient States to ratify them and thus make them a part of the Constitution.

So, these war amendments became a part of the Constitution—the 13th, 14th, and 15th.

FIFTEENTH AMENDMENT

The 15th provided that no State should deny or abridge the right of any one to vote on account of his race, color, or previous condition of servitude. But it did not provide that a State must permit whites and Negroes to cast their vote in the same boxes, side by side.

The 14th provided for equal protection of the laws for all people. Even that 14th was not strong enough to compel States to permit women to vote. It took a separate amendment for that, enacted a half century later.

The 13th abolished slavery.

Ratified December 18, 1865, 8 months after Appomattox, it provides:

"Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction."

Ironically, that amendment, first proposed in the Congress in the very week of the surrender at Appomattox, recognized one of the very principles for which the South had fought—the principle of indestructible States having formed a more perfect Union.

Does that amendment treat the United States as singular and say "its jurisdiction"? It does not. It says "within the United States, or any place subject to their jurisdiction."

CASES CAME

Year after year cases came before the Supreme Court of the United States involving those amendments—particularly the 14th. Year after year the principles of constitutional government were read into them by practically unanimous courts composed of judges such as Chief Justices Fuller, White, and Taft, and Associate Justices Field, Brown, Peckham, Holmes, Cardozo, and Brandeis.

"No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States, nor shall any State deprive any person of life, liberty, or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws."

Those were and are the words of the 14th amendment.

The spirit breathed into those words, which became the living law of the land declared by judges who knew not Myrdal, proclaimed that a State did not violate the Constitution and did not deny to any person within its jurisdiction the equal protection of the laws when it furnished equal facilities to all, whether those facilities were steamboat cabins or railroad cars, or schools or colleges. Not many people in those days were playing golf or going to the seashore, so neither Blackstone nor Myrdal had yet invaded the bathing beach or the golf course.

LONE DISSENTER

Solemnly did a Justice—the very Justice who had been the lone dissenter in *Plessy* v. *Ferguson*, the first case expounding the separate but equal doctrine—say some 10 years later:

"While this Court should guard with firmness every right appertaining to life, liberty, or property as secured to the individual by the supreme law of the land, it is of the last importance that it should not invade the domain of local authority except when it is plainly necessary to enforce that law. The safety and health of the people of Massachusetts are, in the first instance, for that Commonwealth to guard and protect. They are matters that do not ordinarily concern the National Government. So far as they can be reached by any government, they depend, primarily, upon such action as the State in its wisdom may take."

Those are the words of Justice John Marshall Harlan, uttered February 20, 1905 (197 U.S. at p. 38).

In those words are embraced the essence of the doctrine of States rights in the defense of which your grandfather may have died at Gettysburg 40 years before.

Justice Oliver Wendell Holmes of Massachusetts had been a captain in a Massachusetts regiment in the War Between the States. Fifty years later, as an Associate Justice of the Supreme Court of the United States, he wrote:

"And yet again the extent to which legislation may modify and restrict the use of property consistently with the Constitution is not a question for pure abstract theory alone. Tradition and the habits of the community count for more than logic."

SUCCINCT STATEMENT

Those words are a succinct statement of the principle of States rights for the perpetuation of which your grandfather may have faced the rifles of Captain Holmes' soldiers of Massachusetts at Balls Bluff in Maryland in the early days of the war.

Justice Holmes on February 21, 1910 (216 U.S. at p. 366) in his maturity, saw the light, and expressed the principle which had been buried for him by the propaganda of the abolitionists a half century before.

The words which Justice Holmes wrote for himself, and those giants of the law who were his colleagues on the Bench of the Supreme Court of the United States 50 years ago, were translated into a principle of constitutional law succinctly stated:

"Tradition and habits of the community count for more than logic in determining constitutionality of laws enacted for the public welfare under the police power."

Those principles of constitutional government illustrated by the utterances of Harlan and Holmes, followed by Taft, and Brandeis and their associates, were the promise of the Federal Government to the States which created it, which then composed it.

As the States of the South emerged from the ravages of war, as step by step they and the magnificent men and women who formed them laboriously climbed the steps from the abyss into which war and its might, reconstruction and the illegality which created it, had plunged them, these words were the beacon light which they considered to mark the safety of their harbor.

HABITS, TRADITION

We know your habits and traditions, this Court composed of lawyers and judges, had said to them. The safety and health of your communities are yours to guard and protect, the highest Court said.

We relied on those solemn statements—we relied on the word of the Federal Government, and, as we recovered, spent our money, raised from taxing our people and our property, in building magnificent public schools and colleges and universities—separate but equal.

Recently, an Associate Justice of the Supreme Court has said: "Great nations, like great men, should keep their word."

That very same Justice was one of those who has repeatedly joined in the breaking of the promises made by the Courts of former days to the people of the South.

"Great nations, like great men, should keep their word," said Associate Justice Hugo Black in *Federal Power Commission* v. *Tuscarora Indian Nation* (80 S. Ct. 543, 567), on March 7, 1960.

They should.

All that we ask is that the United States of America keep their word as expressed to us by Chief Justices Taft and Fuller and their colleagues.

VIOLATED PLEDGE

They departed from their pledged word in *Brown* v. *Topeka*, on May 17, 1954, and the cases which followed it.

They departed from their pledged word, and the reason for their departure has never been better expressed than Jefferson Davis expressed it on the floor of the U.S. Senate 94 years before, on a day when Gettysburg, Vicksburg, Sharpsburg, Manassas, Fredericksburg, Stone River, and Murfreesboro were only places on maps; on a day months before those names were enshrined in our hearts as battlefields upon which men were proud to die fighting for principles—men whom a hundred years later we remember—principles which still endure.

I repeat today what Mr. Davis said on April 12, 1860:

"This pseudo-philanthropy is an excrescence upon the American mind, sprung from a foreign germ, inoculated here to the destruction of the healthy growth of our political tree."

But, we cannot live in the past.

Certainly the war of 1861–65 will not be repeated.

The problem remains.

For all that the War Between the States proved was that, after 4 years the States of the North were strong enough to force the Southern States back into the Union.

In the club I belong to now all dues payers pay the the same dues. The boys at the head office have got it figured out that some of us are more able to pay than others. There is also a kind of benefit system called "federal aid" run by several departments, to help divide up the dues among those who are not able to get everything they want today. This bothers me, and some of the other dues-paying members. We dues payers are the sole support of this club and we used to think we ran it, but things seem to be changing.

I have a credit card. On it is the treasurer's signature. It was issued in 1939. In the middle there is a picture of one of the club founders—a fellow by the name of Washington. When I first got it, it would cover the cost of a fair evening meal. Something has happened, however; now it hardly covers the cost of breakfast. The way things are going, it soon won't cover the cost of a coffee break.

What's going on in these United States? Our American dollar used to be solid as a rock; a respected symbol of economic stability and security throughout the world.

While my dues are high and the club is in debt, this credit card—this dollar bill—seems to be shrinking in value continually. When it was printed in 1939, it was worth $1. It will purchase less than 50 cents worth of beans, or shoes, or concrete for highways today. The popular term for this eating away process is "inflation." There are some popular theorists who contend that a "little" inflation—2 to 3 percent a year—is good, it helps keep the club prosperous. If that is the case, then we have been so prosperous for the past few years, that we ought to have paid a little on the debt we owe at the head office, as well as some at the branch offices.

Some years ago a popular public figure was quoted as saying, "What this country needs is a good 5-cent cigar." I respectfully suggest that what this country really needs today is, a good 5-cent nickel.

It is time to get off our dead complacencies and get deadly serious. Let's ask ourselves, "What's Going On Here?"

Here are some of the facts:

The dollar printed in 1939 is worth only 48 cents today.

The dollar printed in 1948 is worth only 83 cents today.

Since 1939 the annual rate of loss in the value of the dollar has averaged 4 percent a year. Hot dogs today are more expensive than round steak in 1945. The price of bread has doubled. Hamburger has gone up 90 percent.

In 1885 the U.S. public debt was being paid off at the rate of $100,000 a day, and for 20 years during that period U.S. public debt was being paid off at the rate of $100 million per year.

Today the total public debt exceeds $334 billion, with no reduction in sight. This in a time when wages are high and employment is at a high level. To keep owing this huge amount, we must pay service charges—interest equal to about $49 a year for every man, woman, and child in the land. In fiscal 1958 taxes paid to all levels of Government amounted to about $568 for every person in the country.

Of all persons in the United States who receive an income, one-third receive all or part of their income directly from the Government. In addition, there are about 8 million others who receive their income indirectly from the Government, as employees of businesses dependent upon Government orders.

The number of laws in this so-called free country is incredible. Four years ago it was estimated that there were over 2 million of them, and this is a count only of formal laws. In addition, there are directives, decisions, and orders promulgated by the executive, legislative, and judicial departments, as well as the rules and regulations required and enforced by various departments and bureaus in carrying out their delegated functions.

To insure that everyone is getting his fair share of freedom, as well as paying his fair share of dues, and receiving his fair share of control, we are provided with several hundred thousand Government employees who watch, check, record, inspect, investigate, and supervise us. The number of Government workers of all types has more than tripled in the last 30 years, the Commerce Department has reported. Expansion of Government payrolls has far outpaced private employment.

About 15 percent of all jobholders work for Federal, State, or local governments, the Department said. In 1929 the proportion was about 7 percent.

Government payrolls have soared from a total of 3,184,000 in 1929 to 9,918,000 in 1957, the most recent year for which complete data is available.

Many things threaten our national security, our economic stability, and our individual freedoms. The present trend in political philosophy and fiscal policy will ultimately destroy our free institutions and leave this idea referred to as the "American way of life" as just another passage in recorded history if we do not take concerted action now.

Let's think about some of the things that are going on here:

Let's consider inflation and its threat to our national security and economic stability. President Eisenhower is quoted in a National Security Council conference as saying, "When are you going to learn that national security and a sound economy are the same thing?"

Senator HARRY BYRD, Democratic Senator from Virginia since 1933, says, "Everybody knows now that America is menaced in the years ahead with an inflation that could wipe out savings and impoverish millions who are living on fixed incomes. We must never forget that so long as this cold war continues, we have to sustain two fronts. First, we must remain economically strong. At the same time, we must be militarily invulnerable." He also says, "The most important step we must take, if we wish to halt inflation, is to balance the Federal budget and assure our people that it will stay balanced. The menace of a disastrous inflation is real. All the pressure groups and special interests that campaign for more and more Federal spending are helping to bring it on and are thereby doing a grave disservice in the long run to their own people."

Maurice H. Stans, Director, Bureau of the Budget, makes these statements: "I must pass on to you a solemn warning. Unless we as a government insist right now upon living within our income, we face certain hard inevitabilities: whether there will be more tax increases, piled on top of our already heavy tax load; or there will be a mounting national debt and growing inflation with disastrous rises in the cost of living and a dangerous weakening of our national strength. Inflation feeds on the delusion that the Federal Treasury is a free-flowing well, that money from Washington doesn't cost anyone a cent. It is this something-for-nothing delusion that allows special interest groups to smooth-talk the public into believing that all their Federal spending proposals are possible. Federal expenditures have multiplied 25 times in the last 30 years, and half of that is due to inflation. How much more taxation can the people take? We must curb spending now."

The fiscal policy of the Government at all levels permits a continually rising debt. Even in very recent history, in large and respected governments, bread has been purchased with baskets of paper money, and personal savings have been wiped out almost overnight. Even today in our own country, State governments are faced with insolvency and the U.S. Treasury has difficulty in financing.

What justice is there; what equality before the law is there in our present fiscal policy with its system of enormous unpaid debt, high taxes, and other levies upon the citizens who are the very source of revenue? What is going on here?

The prevalent political philosophy, with its trend toward the welfare state and socialism, is a matter of serious concern. As a matter of fact, we may already be deeply involved in socialism. In the past generation, we have had repeated warnings and heard expression of fear over socialism and the possible infiltration of communism. The voters of this country have repeatedly turned thumbs down when asked to endorse the Socialist ticket at the polls. Yet, by default during this same period, there have been proposed and placed into effect state-planned, state-administered, and state-enforced policies entirely in accord with Socialist theory, for which we all pay without choice. These programs and policies begin to move in practice closely toward the Marxist line of "From each according to his ability, to each according to his need."

Supporters of such programs will deny socialistic tendencies and will be vehement in their denial of communistic ideas. Some of these people are deceitful with their eyes only on 30 pieces of silver. Others are either warped or embittered idealists; and others are probably naive and innocent do-gooders who honestly believe that the almighty state is infallible in its beneficence and that a little control is for the good of all. These people, too must learn that there cannot be just a little state control. The very programs set up to control bring about the need for more control. These people must learn and remember that the state is made up of free, productive, liberty-loving citizens, and that the state is only a composite of these peoplue. Anything which takes away from, or destroys the individual parts, must inevitably and ultimately destroy the whole.

Should this be going on here?

Federal aid, in its 60 or 70 forms, with its remote controls and seeming low-cost "matching-fund" program, is a misnomer. It is Federal only because of the level of the administering body. The money is not Federal—it is your money, and mine sent to Washington in trust, and returned to us less brokerage fees and freight, plus restrictions with which we must comply. In this booming, prosperous era, it seems a paradox that we need a program of aid. Or—are our States and communities reduced to panhandling, begging for funds from each other because they can no longer foot the bill for wants beyond their ability to pay? Are Federal aid programs designed to meet minority needs, and developed in response to self-centered short-sighted pressure groups? Let's ask these questions when an aid program is proposed.

Is it necessary?

Is it a function of Government?

Can we afford it?

Federal aid program once started never seem to stop. They grow more costly year by year. They contribute to our heavy tax load and to the inflationary debt now on our shoulders. In return for Federal aid favors we must submit to controls, be they laws or directives. Every Federal control added is a local control removed and more freedom taken away.

In 1934, there were 18 aid programs costing $126 million a year. In 1957 there were 57 programs costing over $4 billion, 16 times as much. The 1959 program was somewhat

greater; but after all we need more aid now because we are more prosperous now.

Everyone should be aware that an aid program with matching fund requirements, demands matching by the very citizens who supplied the funds being matched. It is a pretty expensive merry-go-round ride.

Federal aid programs have contributed to the fallacious philosophy which says, "If we don't get it, someone else will." Many well-meaning citizens have been deluded by talk to the effect that money coming from Washington is free.

What right have we to jeopardize today for ourselves, and tomorrow for our children? The principles upon which this country was founded, and upon which it grew great, are:

Free people.
Free enterprise,
Limited government.

If we believe in these principles, then we should become an informed and aroused citizenry. Being informed is an elementary duty in a society of freemen. We will become knowing and participating and demanding citizens. We know that government and bureaus can give nothing; we know that any power to government or bureau was given either by consent or default. A free society that is passive, inert, and preoccupied with its own diversions and comforts will not last long.

We do not own freedom, we are only trustees for those who have dreamed it, conceived it, fought for it, and worked for it, and we are obliged to keep it whole.

The survival of the idea for which this Nation stands is not divinely guaranteed. It may survive if enough Americans care enough.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendments o fthe Senate to the bill (H.R. 10401) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1961, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KIRWAN, Mr. NORRELL, Mr. CANNON, Mr. JENSEN, and Mr. TABER were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 4781) to amend the Watershed Protection and Flood Prevention Act to provide that its loan provisions shall be applicable to certain other projects, and for other purposes, and it was signed by the President pro tempore.

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

MUTUAL SECURITY ACT OF 1960

The ACTING PRESIDENT pro tempore. Without objection, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment lettered "L" submitted by the Senator from Alaska [Mr. GRUENING]. On this question, the yeas and nays have previously been ordered.

Under the unanimous-consent agreement, 5 minutes of additional debate are available to each side on the question of agreeing to the amendment.

Mr. GRUENING. Mr. President, I ask unanimous consent to have considered at this time my amendment identified as "4–28–60—H," instead of my amendment lettered "I."

Mr. JOHNSON of Texas. Mr. President, is this the other amendment to which the Senator from Alaska has referred?

Mr. GRUENING. Yes. I simply wish to reverse the order of their consideration.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. GRUENING. Mr. President, at this time I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that further proceedings under the call be dispensed with, and that the time consumed under the quorum call we have just had be charged equally against the time on the bill.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. JOHNSON of Texas. Under the arrangement now in effect, the Senator from Alaska will have the full 5 minutes allotted to him, and the majority leader the other 5 minutes. Is that correct?

The ACTING PRESIDENT pro tempore. If he asks for it.

The clerk will state the amendment which has been proposed by the Senator from Alaska [Mr. GRUENING].

The CHIEF CLERK. It is proposed to amend section 401 by renumbering subsections e, f, g, h, and i as f, g, h, i, and j, respectively, and insert after subsection (d) the following new subsection:

(e) Section 517, which relates to completion of plans and cost estimates, is amended as follows:

"(1) Insert '(a)' immediately after 'SEC. 517.' and following section 517(a) as renumbered, insert the following new subsection:

"'(b) All nonmilitary flood control, reclamation, and other water and related land resource programs or projects proposed for construction under titles I, II, or III (except section 306) of chapter II, under section 400, or under section 451 of this Act, shall be examined by qualified engineers, financed under this Act, in accordance with the general procedures prescribed in Circular A–47 of the Bureau of the Budget, dated December 31, 1952, for flood control, reclamation, and other water and related land resource programs and projects proposed for construction within the continental limits of the United States of America. In all cases the benefits and costs shall be determined, and a copy of the determination shall be submitted to the Speaker of the House of Representatives and the Foreign Relations Committee and the Appropriations Committee of the Senate. No such program or project shall be undertaken on which the benefits do not exceed the costs and which does not otherwise meet the standards and criteria used in determining the feasibility of flood control, reclamation, and other water and related land resource programs and projects proposed for construction within the continental limits of the United States of America as per Circular A–47 of the Bureau of the Budget, dated December 31, 1952.'"

The ACTING PRESIDENT pro tempore. The yeas and nays have not been ordered on this amendment.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The ACTING PRESIDENT pro tempore. The Senator from Alaska is recognized for 5 minutes.

Mr. GRUENING. Mr. President, this is essentially a very simple amendment.

On December 31, 1952, the Bureau of the Budget issued Budget Circular A–47, establishing standards for judging the worth of projects for conservation, development, or use of water and related land resources. All of us who have, from time to time, had occasion to urge the authorization of such a project are well aware of these standards and of the importance attached to strict adherence to its requirements by the administration and the Congress if approval of a particular project is to be won.

However, heretofore, these standards have been applied only to domestic projects.

They do not even apply to identical projects built abroad with American dollars under the foreign aid program.

The amendment which I am now offering would require the application of the domestic standards to foreign projects for resource development.

A similar amendment was considered by the House Committee on Foreign Affairs, and a provision containing wording identical to that of my proposed amendment is now in the House-passed bill.

Of this provision, the House Committee on Foreign Affairs had this to say:

The committee is convinced that had this requirement been in effect in prior years a number of projects which have not turned out as intended would have been planned on a sounder basis or might not have been started, with a significant saving to the U.S. taxpayer and a perceptible enhancement of U.S. prestige.

Mr. McCLELLAN. Mr. President, will the Senator yield?

The ACTING PRESIDENT pro tempore. Does the Senator from Alaska yield to the Senator from Arkansas?

Mr. GRUENING. I yield.

Mr. McCLELLAN. What the Senator from Alaska is undertaking to do by his amendment is to see that the foreign projects contemplated are constructed under the same rules of economic justification that apply on domestic projects, and give to the respective committees of Congress the same duties and responsibilities with respect to screening and approving them as we do with our own projects in this country. Is that correct?

Mr. GRUENING. That is correct. That is precisely the objective of this amendment. The House has already approved such language. It is in the House bill which the other body has already enacted.

Mr. President, I conclude by saying that I urge the Senate to join with the House in taking the first step toward ending the double standard, a double standard which judges natural resource development projects proposed for construction abroad by different—and lower—criteria than are used in judging similar projects at home.

I trust that those Senators who are in favor of foreign aid and wish to see its administration improved will support this amendment.

I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The Chair is advised that under the unanimous-consent agreement in effect the Senator from Texas has control of the time if he opposes the amendment. Is a Senator prepared to speak for the Senator from Texas?

Mr. FULBRIGHT. Mr. President, I am prepared to speak against the amendment.

Mr. MANSFIELD. Mr. President, I yield 5 minutes to the Senator from Arkansas.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas is recognized for 5 minutes.

Mr. FULBRIGHT. Mr. President, this amendment is along the lines of a similar amendment the Senator from Alaska submitted last year, and it was voted down last year. He submitted it again this year. The committee voted it down this year. I hope the Senate will not accept it.

The projects abroad are surrounded by circumstances that are different from those which attend our domestic projects. It is quite feasible in my State, or in the State of Louisiana, for example, or in any other State, to calculate very closely the benefits, and allocate one benefit to flood control, one to power, and so on, and also to ascertain the allocation of the part that the local community has to contribute. This very complicated formula is gone through for determining the justification.

As a matter of fact, I am a cosponsor of a bill right now to revise the present formula for allocating benefits. All of the Members of Congress from my State feel the same way. Representative TRIMBLE, of my State, is also a sponsor of such a measure. We think that the formula for flood control now being applied by the Army Engineers is quite in error. The formula takes no account of recreational benefits and other categories of benefits. There is a difference of opinion as to what is the proper formula to apply in arriving at allocation of costs, in order to arrive at power rates, for example, in multipurpose projects. It is a very complicated subject.

I think the only thing that can be fairly said is that there is no pretense that the justification for such projects abroad is the same as for those at home. There is a large element of political necessity in these projects abroad. We go into those countries for reasons quite different from those for which we go into Arkansas, Utah, and Colorado, for example. We try to help underdeveloped countries and we try to administer the programs in accordance with the best budgetary practices; but we cannot administer those programs—and the administration agrees—by following the standard submitted by the Senator from Alaska. The Senator brought this subject up last year by an overall amendment. Now he is taking up, piece by piece, what he offered as a whole last year. The committee believed, unanimously, I think, that it was unworkable.

The objective of efficient administration is a laudable one. We all wish to have better administration. This is not the way to achieve it. We do not believe these restrictions could possibly be applied in a manner which would permit the operation of the program at all.

Furthermore, if we make these people come to Congress to justify every project with the same minute detail required in the United States, it simply will not work. All of us who have spoken for projects know how much time is required to give testimony, as I have already done a half dozen times for each project in my State. We are glad to do it, of course, because we have constituents who are interested in the projects. How much interest would Senators have in the minute details of projects for India or Vietnam, and how many would be willing to study the details as we do for projects in our own States?

I think the whole character of the program is very different. This proposal is utterly unrealistic. We should not try to apply the same restrictions upon the program abroad. If we are going to have the program for the purposes which we all understand, then I think the administration of it has about all the restrictions we can afford to put upon it.

If one is opposed to the program, as the Senator from Alaska is, this is one way to destroy it. We could put restrictions on it. If one cannot defeat the program by a frontal attack, one can ask for little restrictions upon it, to defeat it in that way. In my opinion, that is what the amendment is designed to do. I hope the Senate will not agree to the amendment.

The ACTING PRESIDENT pro tempore. If the Senate will indulge the Chair a moment, the Senator from Texas has 1 more minute. Does the Senator from Illinois desire recognition?

Mr. DIRKSEN. Mr. President, I will take the minute, and 1 additional minute from the time on the bill.

The ACTING PRESIDENT pro tempore. To keep the record straight, the agreement is that control of the time in opposition to an amendment will be in the hands of the Senator from Texas [Mr. JOHNSON], if he is in opposition. If the majority leader is not in opposition, the control of the time automatically goes to the minority leader under the agreement. The Chair states that for the RECORD. The Chair recognized the Senator from Arkansas [Mr. FULBRIGHT], the chairman of the committee, but it was with consent.

The time for this statement will not be charged to either side.

The Senator from Illinois is recognized for 1 minute.

Mr. DIRKSEN. Mr. President, I yield myself 1 additional minute from the time on the bill.

The ACTING PRESIDENT pro tempore. The Senator from Illinois is recognized for 2 minutes.

Mr. DIRKSEN. Mr. President, the distinguished Senator from Alaska said that this is a very simple amendment. It is indeed. It is as simple as a well-directed shot out of a Colt .44 that hits a person right over the heart. It will put him out of business. This amendment, if agreed to, will put the program out of business.

I think the distinguished chairman of the committee alluded to the fact that every project of a nonmilitary character over $1 million relating to airports, hospitals, highways, reclamation, railroads, housing, and navigation would have to be separately authorized. That would mean we would have to have engineering data. The matter would have to come before the committee. It would have to be justified. It would have to be approved. The difficulties would stop the program in its tracks.

The chairman of the committee is exactly correct. If we want to liquidate the program, I know of no more felicitous and painless way of doing it than to agree to the amendment. But we are dealing on a worldwide basis with a program of this kind, and I earnestly hope the problems which go with a program of this nature will not be further aggravated. I hope that these restrictions will not be imposed upon the ICA.

As I read the language, it would apply to nearly $1 billion of the $1.4 billion-plus which is involved under the bill, because it would apply to all nonmilitary items under titles I, II, and III. That includes the contingent fund. That includes the special assistance fund. That includes the defense support, where it is nonmilitary. It includes technical cooperation, United Nations assistance, and all the rest.

It is a simple amendment. It is an excellent liquidating amendment. I, therefore, hope it will be roundly defeated.

The ACTING PRESIDENT pro tempore. All time on the amendment has expired.

Mr. GRUENING. Mr. President, I ask unanimous consent that I may ask the minority leader a question.

Mr. MANSFIELD. Mr. President, I must object. We are operating under a time limitation.

The ACTING PRESIDENT pro tempore. The Senator from Alaska has 3 minutes remaining.

Mr. FULBRIGHT. Mr. President, the Senator from Alaska yielded back the remainder of his time.

Mr. GRUENING. The Senator from Illinois is addressing himself not to the amendment before us but to another amendment which I have offered. There

is a difference between the amendments.

Mr. DIRKSEN. Mr. President, we are talking about amendment I, which the Senator offered the other day.

Mr. FULBRIGHT. Mr. President, amendment "H" is exactly the same.

Mr. DIRKSEN. There is only a difference of degree. There would be a little more liquidation involved in one than in the other, if that is possible.

Mr. GRUENING. Does the minority leader think the House is willing to wreck this program? The language is in the House bill.

Mr. DIRKSEN. I do not know about what the House wants to do, but I think our distinguished friend from Alaska is trying to wreck the program.

Mr. GRUENING. The language of the amendment is now incorporated in the House bill. If this amendment is agreed to, the language will be identical with the House language, in the bill which has already been passed by the other body.

Mr. DIRKSEN. All I can say is that from long experience in regard to appropriations and on legislative committee, if this does not represent a liquidation, then I simply have not seen one.

The ACTING PRESIDENT pro tempore. The time on the amendment has expired. The question is on agreeing to the amendment offered by the Senator from Alaska. On this question the yeas and nays have been ordered, and the Clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alabama [Mr. HILL], the Senator from Oklahoma [Mr. KERR], the Senator from Maine [Mr. MUSKIE], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

The Senator from Minnesota [Mr. HUMPHREY], the Senator from North Carolina [Mr. JORDAN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

On this vote the Senator from Minnesota [Mr. HUMPHREY] is paired with the Senator from Oklahoma [Mr. KERR]. If present and voting, the Senator from Minnesota would vote "nay," and the Senator from Oklahoma would vote "yea."

The Senator from North Carolina [Mr. JORDAN] is paired with the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from North Carolina would vote "yea," and the Senator from Missouri would vote "nay."

I further announce that if present and voting, the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Ohio [Mr. YOUNG] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from Connecticut [Mr. BUSH] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

On this vote the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Nebraska would vote "yea."

The results was announced—yeas 40, nays 45, as follows:

[No. 175]

YEAS—40

Bartlett	Frear	O'Mahoney
Bible	Goldwater	Proxmire
Brunsdale	Gruening	Randolph
Byrd, Va.	Hartke	Robertson
Byrd, W. Va.	Jackson	Russell
Cannon	Johnston, S.C.	Schoeppel
Case, N. Dak.	Long, Hawaii	Stennis
Chavez	Long, La.	Talmadge
Curtis	McClellan	Thurmond
Douglas	Magnuson	Williams, Del.
Dworshak	Morse	Yarborough
Eastland	Moss	Young, N. Dak.
Ellender	Mundt	
Ervin	Murray	

NAYS—45

Aiken	Fong	Lusk
Allott	Fulbright	McCarthy
Beall	Gore	McGee
Bennett	Green	McNamara
Butler	Hart	Mansfield
Carlson	Hayden	Martin
Carroll	Hennings	Monroney
Case, N.J.	Hickenlooper	Pastore
Church	Holland	Prouty
Clark	Javits	Saltonstall
Cooper	Johnson, Tex.	Scott
Cotton	Keating	Smathers
Dirksen	Kefauver	Smith
Dodd	Kuchel	Wiley
Engle	Lausche	Williams, N.J.

NOT VOTING—15

Anderson	Hruska	Morton
Bridges	Humphrey	Muskie
Bush	Jordan	Sparkman
Capehart	Kennedy	Symington
Hill	Kerr	Young, Ohio

So Mr. GRUENING'S amendment to the committee amendment was rejected.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion to lay on the table the motion to reconsider the vote whereby the amendment was defeated.

The motion to table was agreed to.

The ACTING PRESIDENT pro tempore. By previous agreement the Senate has ordered the yeas and nays on the amendment lettered "I" offered by the Senator from Alaska. Under the unanimous-consent agreement 5 minutes of additional debate is allowed to each side, to be controlled by the sponsor of the amendment and by the Senator from Texas, if he is in opposition to the amendment; if not, by the Senator from Illinois [Mr. DIRKSEN].

These are very far-reaching amendments which are being offered. I am sure some Senators would like to know their substance and to hear the debate, and the Chair asks that order be maintained on the floor.

The Chair now recognizes the Senator from Alaska.

Mr. GRUENING. Mr. President, I call up my amendment identified as "4-28-60—I," and ask that it be stated, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment has already been stated at this session.

Mr. GRUENING. Mr. President, this amendment would require congressional authorization for large foreign public works programs and projects and for such other large endeavors as airfields, highways, railways, and so forth. This is the requirement for programs at home. I ask only that the same requirement be made applicable to foreign projects under the foreign-aid program.

My amendment would still continue an element of the "double standard" for it requires approval only for projects or programs involving an aggregate expenditure of foreign-aid funds of $1 million. No such floor is applicable to domestic projects.

H.R. 7634, a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, is now before the Senate Public Works Committee. In it we have such relatively small projects as $388,000 to improve navigation on the Mississippi River, $170,400 to improve navigation at Red Wing Harbor, Minn., $117,200 to improve navigation at Everglades Harbor in Florida, $240,000 to improve navigation in Southwest Harbor, Maine, and so on, ranging up to projects in the hundreds of millions of dollars.

Scores of projects must therefore periodically be presented individually to the Congress, be reviewed as to their merits by the appropriate committees of both Houses of the Congress, and then must be approved by both Houses, and, finally, must be approved by the President.

Why should not a similar project of, for example, $15,051,000 for railway rehabilitation in India or $1,280,000 for the development of Lake Pezayeh navigation in Iran—why should not all these large foreign projects and programs also require specific justification too and approval by Congress?

I urge the adoption of my amendment to treat the same things the same way whether they are to be built in one of the 50 States or in a foreign country.

Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. Does the Senator from Alaska yield back the remainder of his time?

Mr. GRUENING. I do.

Mr. FULBRIGHT. Mr. President, before I comment on the pending amendment, in view of the good attendance on the floor at the present time, I should like to call to the attention of Senators a copy of a letter which is on the desks. It is signed by the Acting Secretary of State, and relates to another matter which will come up later. I believe that Members of the Senate should have an opportunity to consider this letter during the next few hours. It does not relate to the pending amendment. It relates to the Douglas amendment that we discussed last Thursday.

There is very little difference between the pending amendment and the one

which has just been turned down by the Senate. It would require an administrative procedure which would make the program unworkable. That is my view. That was the view of the committee. That is the view of the State Department. It would make the program unworkable.

Under existing law section 517 of the Mutual Security Act requires completion of cost estimates and engineering plans prior to obligation of funds for projects. Section 202(b) requires the Development Loan Fund to take technical and economic feasibility of proposed projects into account before approving projects. Section 103 of the Mutual Security Appropriation Act, 1960, requires a determination of feasibility of water and related land resource projects in accordance with domestic standards and criteria.

The proposal of the Senator from Alaska would operate to bring each project to the committees in Congress and have it gone over in the same way that we go over every dam in Washington and every flood control project in Arkansas, for example. It is utterly and completely unnecessary.

If one is against the bill and does not want the bill, the adoption of such an amendment would be one way to destroy it. I do not wish to comment on the motives of the proposer, but he always has voted against the mutual security bill and is against the bill. This is one way to destroy it. It is that simple. The amendment is utterly unworkable.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. CLARK. I am for the bill; I always have been for the bill. I think my motives are reasonably pure. Why is this an unworkable amendment, and should not the American people know the cost of each of these projects?

Mr. FULBRIGHT. The American people do know. The State Department furnishes the committees with a list of the projects and of the programs which they propose to initiate in the various countries. Adequate engineering facilities and statistics do not exist in many of the countries, and it is necessary to devise some formula for them in order to try to determine whether the projects are feasible.

For instance, the question of the marketability of power, in a power production program, would be involved in many cases where the projects are developed in a primitive country, a country completely different from our own.

When the Senator says that under similar conditions he wants similar procedures to apply, it simply is unrealistic to say that conditions in Vietnam or India or Pakistan are the same as conditions in Pennsylvania. They are not; they are completely different.

Mr. CLARK. I wholly agree with the Senator from Arkansas. This amendment has nothing to do with the previous amendment, which I voted against. This amendment says, in effect, that if a project is to cost more than $1 million, Congress should be told how much it will cost.

Mr. FULBRIGHT. Oh, no; not at all. It provides for a separate authorization for each project. A certain procedure must be followed for each proposed project—a dam, a road, or an airport in a particular country. Before anything is done by way of commitment, that procedure must be followed. I say it is absolutely unworkable. It cannot possibly be done.

If we had tried to follow this procedure, the Communists would long since, if they were interested, have undertaken the project in that country with its own kind of procedure.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. JACKSON. While I voted for the previous amendment, believing there should be some standards which the department should follow, this amendment will simply make it impossible for our foreign-aid program to be usable and effective.

One thing which the administrators of the foreign-aid program have had to contend with is that our competitors, the Soviets and the Soviet bloc, have been able to make decisions on offers of aid without delay. If we are to be effective in this area, then I submit that time is of the essence. We should not slow down the decisionmaking process.

If this provision is placed in the bill, it will mean that it will be necessary to call people from far away places to justify in detail given projects. The time factor involved will be of great concern. If that is the objective of the amendment, then there is no point in seeking an authorization. It will be too late to do any good.

Mr. HOLLAND. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. HOLLAND. Does the Senator know of any device which could more nearly uphold the contention of many people throughout the world, who are hostile to us, that we are imperialists, trying to control, in this Congress, every single move of any consequence for the presumptive purpose of helping people elsewhere, than to have Congress assume the responsibility of approving and authorizing every substantial public works project in the 45 nations throughout the world which we are trying to help?

Mr. FULBRIGHT. The Senator is quite correct. I wonder which committee will undertake the duty of conducting hearings on all these projects, and itemizing the cost of them, project by project.

The ACTING PRESIDENT pro tempore. The Chair is compelled to advise the Senator that his time on the amendment has been exhausted. The Senator from Alaska has yielded his time back. All time on the amendment has been exhausted.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the Senator from Alaska may yield me 2 minutes.

Mr. JOHNSON of Texas. Mr. President, may I get recognition?

The ACTING PRESIDENT pro tempore. The Chair wishes to finish his statement. Under the unanimous consent agreement, a copy of which is on the desk of every Senator, all time on the amendment has been exhausted. Time is available on the bill, and it is under the control of the majority leader and the minority leader.

Mr. JOHNSON of Texas. Mr. President, if I can get recognition, I propose to yield to the Senator from Louisiana such time as he may need.

The ACTING PRESIDENT pro tempore. The Senate is entitled to a statement by the Chair about the time situation.

Mr. JOHNSON of Texas. The majority leader is prepared to yield 2 minutes to the Senator from Louisiana.

Mr. LONG of Louisiana. The Senator from Alaska, in both the previous amendment and this amendment, has put his finger on one of the soft spots in the foreign aid program. The loose manner in which some of these foreign public works is undertaken is inexcusable. It is fantastic and ridiculous.

Some of these projects are proposed left and right and cannot possibly be justified; yet we are asked to agree to them without even knowing what they are.

I venture the guess that the chairman of the committee cannot tell us how many projects costing more than a million dollars have been planned for construction with foreign aid money right now. I do not know the number; I doubt that anyone in Congress knows.

If flood control or navigation projects are proposed for construction in our own country, it takes on the average about 8 years before they are authorized, and before the first dollar of construction money is appropriated. Such projects must first be studied and approved by the district engineer, then by the Board of Engineers, then by the Bureau of the Budget, and then by Congress. After the American public works projects have been carefully studied, Congress authorizes the money for their construction, and later Congress begins to appropriate the money.

I was informed last year that about half of the foreign aid public works projects have been abandoned before completion. That represents a fantastic waste of money. Why should not Congress carefully examine each of the proposed projects? The Committee on Public Works carefully examines and selects the projects which it recommends for construction; but the Committee on Foreign Relations simply proposes to give all the money which is asked for the construction of projects abroad.

All the amendment really seeks to do is to require that Congress be apprised of the cost of each of these fantastic projects before we authorize the spending of millions of dollars for their construction, and before we end by finding out that half of the projects for which we have spent money have been abandoned.

All the amendment provides is that if we are to spend more than a million dollars, we will at least know what the project is and will examine into it first. At present, no one knows what the projects are.

The ACTING PRESIDENT pro tempore. The time of the Senator from Louisiana has expired.

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute to the Senator from Pennsylvania [Mr. CLARK], then 1 minute to the Senator from Louisiana [Mr. ELLENDER], and then 1 minute to the Senator from South Dakota [Mr. CASE].

The ACTING PRESIDENT pro tempore. One minute on the bill has been yielded to each of the Senators named by the Senator from Texas.

Mr. CLARK. Mr. President, the arguments made by the Senator from Washington [Mr. JACKSON] and the Senator from Arkansas [Mr. FULBRIGHT] have persuaded me to vote against the amendment, but I should like to ask the chairman of the committee one question: Does he not agree that the American people and Congress are entitled to know, before Congress votes, the cost of each of these projects? If that cannot be assured by the adoption of this amendment, how can it be done?

Mr. FULBRIGHT. The Senate is given a list of the programs which are projected and detailed unclassified information about them. They are only projected; these are not commitments. They have not finally resulted in agreements with the countries concerned. We are simply given a blueprint of what the administration proposes to do in those countries.

Mr. CLARK. But the American people do not know what is being proposed.

Mr. FULBRIGHT. The operation is on an annual basis. I sympathize with the Senator's idea that the program is not properly administered. We tried to remedy the situation last year and submitted to the Senate a plan to put these projects on a more businesslike basis, but the Senate rejected it. We are operating on an annual basis.

The ACTING PRESIDENT pro tempore. The time of the Senator from Pennsylvania has been exhausted.

The Chair recognizes the senior Senator from Louisiana for 1 minute.

Mr. ELLENDER. Mr. President, I was rather amused at the statement made by the Senator from Washington [Mr. JACKSON] when he said that unless we proceed with our current foreign aid program, the Communists will do us some harm. There is trouble in Korea today, which is due, in part, to the fact that we have undertaken many projects in that country without completing necessary and proper studies. As a result of this failure on our part there has been much waste and graft in the Korean aid program. The same thing has occurred in other countries and will continue unless Congress takes control of this wasteful giveaway.

We have permitted the dreamy-eyed planners in ICA and in the State Department to construct any project they wanted to build without regard to the ultimate cost of the project. In my travels I have come across many projects which in the end have cost four or five times more than the original cost estimates.

The Senator from Washington talks about the Communists coming in. What has happened in Korea has been caused in part by our poorly administered foreign aid program and this is exactly what the Commies want. The same thing will happen in Turkey, Thailand, and in every other country unless we inject some sanity in our foreign aid program, and give proper study to the countless projects dreamed up by the boys with the rose-colored glasses.

Mr. JOHNSON of Texas. Mr. President, I yield 1 additional minute to the junior Senator from Louisiana.

Mr. LONG of Louisiana. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I yield one additional minute to the Senator from Louisiana.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana is recognized for one minute.

Mr. LONG of Louisiana. Mr. President, I venture to assert that not one Member of the Senate can tell me how many projects costing over $1 million are called for by the bill, or can name five of these projects, anywhere in the world, on which it is proposed that $1 billion or more will be spent.

Yet when we ask what the money is to be spent for, we are unable to obtain the detailed information; either the projects are labeled secret—although the Communists and the foreign politicians know all about them. If we do obtain the information, or on the basis of some other excuse we are foreclosed from telling about it on the feeble pretense that national security would be jeopardized.

If this amendment is adopted, we shall at least know what the money is to be spent for.

Mr. JOHNSON of Texas. Mr. President, how much time has the Senator from Alaska yielded back?

The ACTING PRESIDENT pro tempore. Two minutes.

Mr. JOHNSON of Texas. I ask that that time be restored to the time available on the bill.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. CASE of South Dakota. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from South Dakota.

The ACTING PRESIDENT pro tempore. The Senator from South Dakota is recognized for 2 minutes.

Mr. CASE of South Dakota. Mr. President, Senators who may wish to vote for the amendment should volunteer to conduct the hearings which will be necessary if we are to examine each individual project abroad. I thoroughly agree with what the Senator from Washington [Mr. JACKSON] has said.

I voted for the previous Gruening amendment because I would not object to having set up some standards for the engineers to follow. But I do not believe that either a Senate committee or any individual Senator has available sufficient time to be able to go into the individual authorizations for each public works project which might be undertaken abroad. Such a procedure would place an insufferable burden upon any Senate committee or any Senator. What Senator would wish to undertake the responsibility for authorizing any particular project?

If Senators are opposed to the entire program, let them vote for the amendment, and thus vote against the bill.

But it seems to me that we should set up guidelines, and then should permit the individual engineers to go forward with these programs.

Mr. CARROLL. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute to the Senator from Colorado.

Mr. CARROLL. Mr. President, I should like to have the attention of the Senator from Arkansas [Mr. FULBRIGHT].

This amendment is a very important one. If we are not careful, the program will be killed by means of this amendment, because on the last amendment there was a majority of only 5 votes. I voted against the amendment because I do not want to have a straitjacket imposed on a program in regard to which there should be some responsibility.

The able Senator from South Dakota has correctly stated what will be the impact on the program if this amendment is adopted.

I commend the able Senator from Alaska for offering the amendments; but I agree that we should enable the committee to ride herd and to make reports to the Congress, so we shall know what we are doing. Then the committee can make the necessary reports.

Perhaps some amendment of this sort should be submitted; but I point out that if we are not careful, the entire program will be killed.

It seems to me that we should have a statement by the chairman of the committee as to the willingness of the committee to submit a report to the Congress, so we shall have some idea of what is happening.

As the able Senator from Pennsylvania has said, let us have some disclosure. Our constituents are entitled to that information.

Mr. FULBRIGHT. Mr. President, if the Senator will yield, let me say all this is very amusing. Enormously detailed reports are made every year, but I dare say the Senator from Colorado has not read them. We conduct very detailed hearings, but it is almost impossible to get Senators to attend the hearings and to hear the testimony taken there.

All these suggestions are nonsense. In an election year, Senators get "all steamed up" about foreign aid. If Senators want to kill the foreign-aid program, let them vote to kill it.

I realize that last year the vote on a similar amendment was 53 to 37; and it is true that this year the sentiment in favor of agreeing to such an amendment is increasing. But of course this is an election year, and in an election year everybody is "for America."

Mr. O'MAHONEY. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, I ask for order; I should like to be heard for just a moment.

The ACTING PRESIDENT pro tempore. The Senate will be in order. The

Senator from Wyoming has been recognized for 2 minutes.

Mr. O'MAHONEY. Mr. President, the Congress of the United States is gradually surrendering to the Executive its legislative power. Unless this is stopped, and stopped soon, Congress might just as well go home.

The Constitution of the United States declares specifically in article I, in the first section, that all legislative power is granted to the Congress.

In section 9 of article I, clause 7, these words are to be found:

> No money shall be drawn from the Treasury, but in consequence of appropriations made by law; and a regular statement and account of the receipts and expenditures of all public money shall be published from time to time.

The power of the purse was given to the Congress. The reason why we have the great national debt now is, not because of spending by Congress, but because of spending by the Executive. The President's budget speaks of a surplus of some $4 billion; but here we have in the foreign aid program proposals to spend we know not how much of the money of the people of the United States.

I shall vote in favor of agreeing to the amendment submitted by the Senator from Alaska [Mr. GRUENING].

Mr. GRUENING. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Alaska 1 additional minute.

The ACTING PRESIDENT pro tempore. The Senator from Alaska is recognized for 1 minute.

Mr. GRUENING. Mr. President, in response to the statement made by the distinguished chairman of the committee—who, I regret to say, is not now in the Chamber—I wish to point out that he said that in an election year everyone is "for America." Mr. President, I was "for America" last year, when I submitted a similar amendment; and I am not ashamed to be for America at any time and in any year. I intend to continue to be.

I think one of the issues with which we must deal and to which I have repeatedly called attention and intend to again, is the double standard that is attempted to be applied when the administration and some Senators insist that every penny of the funds proposed for expenditure in the United States for the benefit of the American people be carefully accounted for, through established budgetary procedures, but are apparently willing to permit some unseen bureaucrat downtown to spend billions of dollars on foreign aid programs without any such vigilant control.

In response to the statement made by the Senator from South Dakota [Mr. CASE], let me say that I believe it is the duty of all Senators to find out, if they can, how the funds are being spent. As one Senator, I should be glad to sit through the hearings if the same budgetary controls that are applied to projects in our own country are applied to spending in foreign countries, and find out how the money of the taxpayers is being spent. That would be one way to diminish the waste and some of the other follies that have been committed in the so-called mutual security program.

Mr. CHAVEZ. Mr. President——

Mr. JOHNSON of Texas. I yield 2 minutes to the Senator from New Mexico.

The ACTING PRESIDENT pro tempore. The Senator from Mexico is recognized for 2 minutes.

Mr. CHAVEZ. Mr. President, I shall vote for the amendment of the Senator from Alaska. I serve on the committee which handles the bills which provide the funds for the programs proposed by the Senator from Arkansas.

I should like to be able to vote, once in a while, for funds to aid the American people, notwithstanding how charitable we may wish to be in dealing with other countries. I want to be a good neighbor; but I have seen the committees refuse to recommend the appropriation of funds to be used to combat water pollution on the Potomac River, right here in the city of Washington, at the same time that the Congress votes for the expenditure of billions of dollars to be used to take care of people in Iran, Turkey, or other countries.

Mr. President, it is about time for charity to begin at home. It is about time for us not to neglect our own people. We are now neglecting them so much that pretty soon we shall not even have enough money to give them.

Mr. President, I am in sympathy with the amendment, and I hope the Senate will, at least one day, be American.

The ACTING PRESIDENT pro tempore. The Senator from Texas has control of the other time.

Mr. DIRKSEN. Mr. President, I yield myself 2 minutes.

I think the Senator from South Dakota has certainly put his finger on the problem that is before the Senate. The language of the amendment that is before us is very clear and specific. It says that any of these projects where "the estimated total cost is $1 million or more shall be separately authorized by the Congress, and no funds for such projects shall be appropriated without such prior authorization."

We shall be going home in early July. At least, I hope so. Then there will be a nearly 6-month period when the Congress will not be in session. If there must be a separate authorization before the money can be used under this bill, the program will come to an absolute, dead standstill. If we make this standard a precedent now, and if it is going to continue in future bills, then the program is as good as nothing.

I can concur with what the distinguished Senator from Wyoming has said about the authority of the Congress and the authority of the executive; and I can understand the argument made by the Senator from Louisiana; but this program is justified under the general heading of the common defense of the country. It does not involve the Potomac. It does not involve the city of Chicago. It does not involve the Mississippi or some dam or project in the West. Under the Constitution, we are dealing with the common defense, and the perimeter of the common defense is not what it was in 1812, or during the Mexican War, or in 1898. There is a 20,000-mile perimeter that extends a long distance beyond the blue water that once shielded this country, which we must consider in an effort to build up our defense, even though the bill applies to nonmilitary projects.

The important point is that if, on every project, we must obtain engineering data, somebody will have to furnish the data, somebody will have to make the survey, somebody in the Congress will have to listen to those who made it, the procedure will become almost interminable, and the program will have been slowed to the point where it will have no efficacy for the purpose for which it was begun in the first instance.

I, therefore, hope this amendment will be defeated.

Mr. JOHNSON of Texas. Mr. President, I yield the Senator from Florida [Mr. HOLLAND] 2 minutes.

The PRESIDING OFFICER. The Senator from Florida is recognized for 2 minutes.

Mr. HOLLAND. Mr. President, I think the points made about delay, difficulty, and the tremendous expenditure of time and effort which would be required if the amendment should be adopted are all true; but I think the biggest point is that we would be placing in the hands of hostile people, who are attacking us as imperialists, the most effective weapon for their use we could give them, by insisting that to this Congress they must come, and that our engineers must go to the foreign countries and return with reports, and that this Congress must authorize the projects just as if they were to be constructed in a part of the United States—which is just what those who are hostile to us are saying about us all around the world—before any substantial amount can go to the people in the foreign countries, in a generous and gracious effort by us to help them. It does not make sense.

This is the most difficult bill we have to pass each year; and to have this kind of standard applied would, it seems to me, will repel people all over the world who are now friendly to us and add them to those who are hostile, because it would certainly look like imperialism, in its crudest form, to have a requirement that those projects should be brought here for authorization, not by their people, not by the administrators, but by this Congress, just as in the case of our own domestic projects, when those projects are for the purpose of giving those people help, which I think we have been giving them generously, although not always wisely, but with a clear showing of anti-imperialism designed to be helpful to others.

Mr. DIRKSEN. Mr. President, I yield 1 minute on the bill to the Senator from Arizona [Mr. GOLDWATER].

The ACTING PRESIDENT pro tempore. The Senator from Arizona is recognized for 1 minute.

Mr. GOLDWATER. Mr. President, I have listened with a great deal of interest to this discussion. I ask the proponents of this foreign economic aid to

inform me of one project which Communist Russia has built for any country. Communist Russia is engaged in taking over the world, and we are engaging in a cold war not to let her win the cold war. I suggest that the squandering of our billions of dollars around the world has done more to lose friends for us than to gain them for us. I cannot recall one instance in which Communist Russia has spent one dime in a foreign country, but I can recall our spending billions and billions of dollars, and losing friends all over the world.

I think the pending proposal is a good amendment. I intend to vote for it. I intend to vote against the bill.

Mr. CASE of South Dakota. Has the Senator heard of the financing of the Aswan Dam?

Mr. DIRKSEN. Mr. President, I yield 1 minute to the Senator from Kentucky [Mr. COOPER].

The ACTING PRESIDENT pro tempore. The Senator from Kentucky is recognized for 1 minute.

Mr. COOPER. Mr. President, the question presented by this amendment is whether we support a foreign aid bill or wish to defeat it. If the pending amendment should be adopted, the bill would be made wholly unworkable. A vote for the amendment will be a vote against the foreign aid bill.

I wish to support the Senator from Florida [Mr. HOLLAND]. He has gone to the basic issue involved. If this amendment should be adopted, it would transfer to the Congress of the United States the job of making political as well as economic determinations on every project to be constructed under the program all over the world. We would be charged throughout the world as imperialists, as impinging on the sovereignty of other nations when our standing before the world is so important.

I am sure there is waste in the foreign aid program, and as I said on last Friday, a reorganization of our foreign aid ought to be devised. But this amendment is not the means. I support fully the argument made by the Senator from Florida, that the adoption of the amendment would defeat not only the bill, but the purpose of our aid program. The amendment should be defeated.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that each side may have an additional 30 minutes on the bill.

The ACTING PRESIDENT pro tempore. The Senator from Texas requests that an additional time of 30 minutes to each side be allowed on the bill, under the present conditions in the unanimous-consent agreement. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute to the Senator from Oklahoma [Mr. MONRONEY].

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma is recognized for 1 minute.

Mr. MONRONEY. Mr. President, I should like to ask the distinguished junior Senator from Idaho [Mr. CHURCH] if we are not talking mostly about loans, and not about grants? We do not know whether loans will be made, or whether certain parties will close the loans. I should like to understand what we are talking about in this bill.

Mr. CHURCH. Mr. President, I think about 80 percent of the money involved does take the form of loans, and some of those loans are very complicated. They are loans that involve moneys under the Development Loan Fund; frequently they involve money to be expended in joint projects in which the World Bank may participate. Sometimes they involve some use of soft currencies which have been generated through Public Law 480. This is a very complex field.

Moreover, the procedural questions which are raised by the amendment have not been faced. If the amendment were agreed to, would it mean that the Committee on Interior and Insular Affairs would have to pass upon any proposed reclamation projects? Would it mean that the Committee on Public Works would have to pass upon any road program proposed? Would it mean that the Congress, which cannot be conversant with subtle political conditions in distant foreign countries, would have to bring its political judgment to bear on each project in separate authorization bills? If so, the usefulness of the program will be destroyed.

I say this is a procedural matter. It is not a matter of constitutional prerogatives.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. CHURCH. It is a matter of practical realities.

Mr. MONRONEY. I thank the Senator.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Alaska [Mr. GRUENING]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alabama [Mr. HILL], the Senator from Oklahoma [Mr. KERR], the Senator from Montana [Mr. MURRAY], the Senator from Maine [Mr. MUSKIE], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

The Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. MORSE], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

On this vote the Senator from Minnesota [Mr. HUMPHREY] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from Minnesota would vote "nay," and the Senator from Montana would vote "yea."

The Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from Oklahoma [Mr. KERR]. If present and voting, the Senator from Massachusetts would vote "nay," and the Senator from Oklahoma would vote "yea."

I further announce that if present and voting, the Senator from Missouri [Mr. SYMINGTON] and the Senator from Ohio [Mr. YOUNG] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from Connecticut [Mr. BUSH] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

On this vote the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Nebraska would vote "yea."

The result was announced—yeas 32, nays 52, as follows:

[No. 176]

YEAS—32

Bartlett	Frear	O'Mahoney
Bible	Goldwater	Proxmire
Byrd, Va.	Gruening	Randolph
Byrd, W. Va.	Hartke	Robertson
Cannon	Johnston, S.C.	Russell
Chavez	Jordan	Stennis
Curtis	Long, Hawaii	Talmadge
Dworshak	Long, La.	Thurmond
Eastland	McClellan	Yarborough
Ellender	Magnuson	Young, N. Dak.
Ervin	Moss	

NAYS—52

Aiken	Fong	McGee
Allott	Fulbright	McNamara
Beall	Gore	Mansfield
Bennett	Green	Martin
Brunsdale	Hart	Monroney
Butler	Hayden	Mundt
Carlson	Hennings	Pastore
Carroll	Hickenlooper	Prouty
Case, N.J.	Holland	Saltonstall
Case, S. Dak.	Jackson	Schoeppel
Church	Javits	Scott
Clark	Johnson, Tex.	Smathers
Cooper	Keating	Smith
Cotton	Kefauver	Wiley
Dirksen	Kuchel	Williams, Del.
Dodd	Lausche	Williams, N.J.
Douglas	Lusk	
Engle	McCarthy	

NOT VOTING—16

Anderson	Humphrey	Muskie
Bridges	Kennedy	Sparkman
Bush	Kerr	Symington
Capehart	Morse	Young, Ohio
Hill	Morton	
Hruska	Murray	

So Mr. GRUENING'S amendment to the committee amendment was rejected.

Mr. KUCHEL. Mr. President, I move to reconsider the vote by which the amendment of the Senator from Alaska to the committee amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. ELLENDER obtained the floor.

The ACTING PRESIDENT pro tempore. As the present occupant of the chair understands the parliamentary situation, on Friday last it was agreed by the Senate that the Senator from Louisiana [Mr. ELLENDER] might offer four amendments en bloc at this time and that his time would be totaled, which would allow 20 minutes for the proponents and 20 minutes for the opposition. Does the Senator from Louisiana wish to be recognized under that arrangement?

Mr. ELLENDER. I desire to offer first my amendment designated "4–28–60—K." If that amendment prevails, my other three amendments will not be offered.

I wish to allocate 14 of the total 20 minutes allowed me to amendment "K," and 2 minutes to each of the three remaining amendments.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none.

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. SALTONSTALL. Which amendment is offered?

Mr. ELLENDER. The amendment designated "4–28–60—K."

The ACTING PRESIDENT pro tempore. The Senator from Louisiana has announced that he is offering his amendment designated "4–28–60—K," which will be stated.

The LEGISLATIVE CLERK. On page 23, beginning with line 16, it is proposed to strike out all through line 10 on page 24.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana is recognized for 14 minutes.

Mr. ELLENDER. I will take 8 minutes at this time.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana is recognized for 8 minutes at this time, and for a total of 14 minutes on the amendment designated "4–28–60—K."

Mr. ELLENDER. Mr. President, the purpose of my amendment is to delete from the bill the amendments proposed by the Foreign Relations Committee to Public Law 480.

As we all know, the Agricultural Trade, Development, and Assistance Act of 1954, or, as it is more commonly called, Public Law 480, was originally considered by the Committee on Agriculture and Forestry of the Senate during the 83d Congress. Since that time the Committee on Agriculture and Forestry has reconsidered this act and has continued its life through the year 1961.

The amendments proposed by the Senate Foreign Relations Committee would make three drastic changes in Public Law 480.

I wish to point out, Mr. President, that on Friday last I introduced, at the request of the Department of Agriculture, a bill which would further amend Public Law 480. This bill is the appropriate vehicle for basic amendments to that act, of which these are several, and I ask the Senate to adopt my amendment with the assurance that the substance of the amendments proposed by the Foreign Relations Committee will be considered by the Senate Committee on Agriculture and Forestry this year.

Last year when we considered the extension of Public Law 480, we made certain that no foreign currencies would be allocated under any provision of Public Law 480 unless the money had been previously appropriated. The Senate Agriculture Committee went into great detail on that point in its report.

The proposal before us would nullify that provision of the present law.

The second change sought to be accomplished pertains to section 202 of title II of Public Law 480. Under this authority, in cases of disaster or extreme emergency, it is possible to use surplus agriculture commodities on a grant basis. The Committee on Foreign Relations seeks to change that provision entirely by making it possible for grants to be made for economic development. What is actually sought is authority to pay local workers on any project in surplus commodities rather than in local currency.

Mr. President, this is simply a method of obtaining additional grant aid at the expense of the agricultural program. I doubt the wisdom of further broadening title 2 of Public Law 480 to include grants of surplus commodities for economic aid without otherwise reducing the amount of economic aid which countries would receive under the pertinent sections of the Mutual Security Act. In other words, if country X is programed to receive, say, $50 million in grant assistance under the Mutual Security Act, and, subsequently, is authorized $10 million in surplus agricultural commodities under the authority proposed in the committee bill, then it strikes me that the $50 million in grant assistance should be reduced by the amount of economic aid made available in the way of surplus agricultural commodities. I need not remind Senators that last year we heard a lot about so-called back-door financing. That cry will doubtless be raised again when the Senate considers a housing bill this year. I most respectfully suggest that the committee amendment constitutes back-door financing of the most flagrant kind, and for this reason too, it should be modified to provide that assistance made available thereunder will not be in addition to other economic aid authorized under the act. If this is done, we can truly begin to use our agricultural commodities as a means of reducing dollar grant aid.

The only reason I can see for the committee amendment is to open up the prospect of using grants of agricultural commodities as a new and huge economic aid, programed without any detailed congressional scrutiny. As a practical matter, title II has already been used for the purposes suggested by the committee. The committee report indicates that without its amendment it will not be possible for workers on highways and related projects to be paid in kind, that is, in grain or other foodstuffs. Yet, according to the February 11 "Semiannual Report on Operations Under Public Law 480," language is found on page 54 which shows that some 42,000 tons of wheat grain will be supplied to Tunisia to extend the emergency work relief program through December 1960. I quote therefrom:

> About 42,000 tons of wheat and feed grains will also be supplied to Tunisia to extend the emergency work relief program through December 1960. The additional amount of grain provided will permit some program expansion and it is expected that a total of 75,000 workers may be employed on a rotation basis. About two-thirds of the workers' wages, estimated at the equivalent of 70 cents per day, are paid in U.S. grain and the remainder in cash contributed by the Tunisian Government. Work projects include construction and renovation of earth dams, cisterns, and wells, tree planting, building of firebreaks, and various soil conservation and reclamation activities. Work progress has been excellent and results can be seen in many parts of the country.

On page 55 we find this language:

> About 2,000 bales of raw cotton are being made available to two American voluntary agencies to manufacture about 80,000 comforters for free distribution to the poor in China (Taiwan). The voluntary agencies will finance the cost of the other materials needed and will supervise the manufacturing process.

In other words, Mr. President, the Department of Agriculture has been doing what the Committee on Foreign Relations claims that this amendment and only this amendment will permit, and the Department has been doing this under existing law. Once this is realized, then, the only logical conclusion that can be drawn is that the real purpose of the committee amendment is to turn title II of Public Law 480 into a mammoth economic grant program. Whether this is prudent or not, I am not in a position to say. I do say it is a problem which involves further study and, I wish to emphasize, study which should be conducted by the legislative committee having jurisdiction over Public Law 480—that is, the Committee on Agriculture and Forestry.

There is a third proposal in the bill as reported by the Foreign Relations Committee which would permit the Federal Government to pay for the transportation of surplus products beyond the port of entry of the country where the goods are to be delivered.

The PRESIDING OFFICER (Mr. CANNON in the chair). The Senator's time has expired.

Mr. ELLENDER. I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator is recognized for 2 additional minutes.

Mr. ELLENDER. Mr. President, Afghanistan presents us with a good example. If the surplus commodities are landed at Karachi, our Government will pay the inland freight from Karachi through the Khyber Pass and on to Kabul.

I say that is going too far. I believe we are doing enough by paying for the ocean freight. The next thing they will want us to do is to cook the surplus commodities so that they will not have that problem. These proposals of the Foreign Relations Committee should not be adopted within the purview of the Mutual Security Act, but should be considered by the Committee on Agriculture and Forestry.

Of my remaining time I now yield 2 minutes to the Senator from Vermont.

Mr. AIKEN. Mr. President, the proviso in the bill which the Ellender amendment would delete would transfer from the Department of Agriculture the authority for the disposal of farm products abroad.

The Department of Agriculture has done an excellent job under Public Law 480. I believe that the Department of

Agriculture approved the proviso in the bill against its better judgment.

The plan to pay workers in foreign countries in commodities instead of in local currencies would lend itself to a great deal of corruption, as it would be almost impossible to police it. It would be almost impossible to determine the dietary requirements of every African or south Asian family. The approval would injure normal channels of trade. It is also unnecessary to accomplish the purpose sought to be accomplished in an orderly and workable manner. The mutual security program is no place in which to open old sores, particularly between the Department of Agriculture and the Department of State. That is what the proposal would certainly do. It is not possible to divide that authority, unless the Department of State takes over the disposal of farm commodities abroad.

After the Department of Agriculture has done such a good job, we should not add such a provision to the bill. If the provision remains in the bill, the mutual security program will be badly damaged.

Public Law 480 was developed in the Committee on Agriculture. That commitee has always had jurisdiction over it, and any amendment to the act. The provision in the bill which would change that situation should be defeated, and the provisions referred to the Committee on Agriculture and Forestry for consideration.

Mr. ELLENDER. Mr. President, as I said before, last Friday I introduced a bill at the request of the Department of Agriculture to carry out the very purpose the Senator has discussed.

Mr. AIKEN. That is before the Committee on Agriculture and Forestry. The Department of Agriculture approved this provision, I believe, under direction, and most reluctantly.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I have only 2 minutes remaining.

The PRESIDING OFFICER. The Senator from Louisiana has 3 minutes remaining. The Senator from Vermont did not use all the time allotted to him.

Mr. ELLENDER. I yield to the Senator from Ohio.

Mr. LAUSCHE. Does the discussion which the Senator from Vermont has engaged in cover completely the item contemplated to be dealt with by the amendment of the Senator from Louisiana?

Mr. AIKEN. I discussed only one part of the Ellender amendment. I am not so much opposed to the other provision in the bill which would be deleted by the Ellender amendment. The part I discussed is so harmful, I believe it is better to take out all amendments pertaining to Public Law 480, and refer them to the Committee on Agriculture and Forestry, where they are already pending.

Mr. ELLENDER. Mr. President, of the remaining time, I yield 2 minutes to the Senator from Florida.

Mr. HOLLAND. Mr. President, we have heard much in the Senate in recent sessions about backdoor financing. The proposal now before the Senate is as excellent an instance of backdoor emasculation of the jurisdiction of a committee and of the benevolent effects of the finest program for the distribution of our surpluses of agricultural products, along with doing good to friendly nations throughout the world, as could possibly be imagined.

In these proposed amendments to Pubic Law 480, the Committee on Foreign Relations seeks to completely change the direction of Public Law 480, without the Committee on Agriculture and Forestry, which has worked for 6 years in this field—and with good results—even being advised of what is going on.

I do not believe the Senate wants to stand for that kind of elimination of jurisdiction; that kind of elimination of responsibility; and that kind of changing and perverting of a fine program which has been created under Public Law 480. We were asked to establish a program under Public Law 480, and we did. The present speaker has sat on every one of the conference committees and every one of the committees which has brought out this act and its various amendments. He knows something about the hard work which has gone into it on the part of the 17 Members of the Senate who comprise the Committee on Agriculture and Forestry.

To have this kind of emasculation of committee responsibility and of the fine programs created by that committee is, I think, totally wrong. Aside from that, to take away from the Department of Agriculture, which is the agency charged primarily with the handling of the programs under which surpluses have been built up, and then with the handling of the surpluses themselves under Public Law 480, so as to confuse and admix the responsibility of two great Departments—the Department of Agriculture and the Department of State—so that the Department of Agriculture handles one program under title I for the development of friendly nations, and the Department of State handles another program under title II for the development of friendly nations, one with surplus commodities from one bin, and the other with surplus commodities from the other bin, simply does not make sense. It is not responsible government to have those two different great agencies working with the same authority, toward the same purpose, and at cross-purposes.

I hope the amendment will be agreed to, and that the committee which has this matter in charge will be given the opportunity to handle it properly.

Mr. CASE of South Dakota. Mr. President, I offer my amendment to the Ellender amendment, which is at the desk.

The PRESIDING OFFICER. The Senator from Louisiana has not used all his time. The amendment of the Senator from South Dakota will not be in order until the time of the Senator from Louisiana has expired or has been yielded back. There is some time in opposition, if those in control of the time in opposition desire to yield time for this purpose.

Mr. CASE of South Dakota. Is it not in order to offer an amendment to the Ellender amendment?

The PRESIDING OFFICER. At the appropriate time. It will not be in order until the time of the Senator who has offered the amendment has expired.

Mr. CASE of South Dakota. I thought he might want some time on that.

The PRESIDING OFFICER. Does the opposition desire to use any time or to yield any time to the Senator from South Dakota?

Mr. DIRKSEN. The distinguished Senator from Texas [Mr. JOHNSON] would, I think, control the time in opposition to the amendment.

Mr. FULBRIGHT. I wish to speak in opposition to the Ellender amendment. If the Senator from South Dakota wishes to offer an amendment to that amendment, I should like to see what will happen then, because it may change the situation; I do not know.

Mr. DIRKSEN. That would not affect the time against both the original amendment and the amendment to the amendment.

Mr. FULBRIGHT. I am opposed to the Ellender amendment. I am awaiting the proper time to speak in opposition.

The PRESIDING OFFICER. Under the rule, there would be 5 minutes allotted to each side.

Mr. DIRKSEN. We would not be foreclosed in the use of that time, I am sure.

The PRESIDING OFFICER. The Senator would not be foreclosed in the use of that time.

Mr. DIRKSEN. So the time in favor of the Ellender amendment would be intact, and the time against the amendment would be intact.

The PRESIDING OFFICER. By unanimous consent, the Senator from South Dakota could offer his amendment at this time.

Mr. CASE of South Dakota. Mr. President, if it is necessary to ask unanimous consent in order to offer the amendment at this time, I shall ask unanimous consent, although it seems to me that the amendment to the amendment should be disposed of before the time on the original amendment has been fully exhausted.

The PRESIDING OFFICER. The Chair is informed by the Parliamentarian that that is not in accordance with the precedents.

Mr. CASE of South Dakota. Then I ask unanimous consent to offer my amendment to the amendment of the Senator from Louisiana at this time, so as to preserve the remaining time on the original amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 23, beginning with line 16, it is proposed to strike out all through line 5, page 24.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 5 minutes.

Mr. ELLENDER. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield.

Mr. ELLENDER. As I understand the Senator's amendment, it would delete from my amendment the section to strike from the committee bill authority for the Government to pay freight costs to deliver surplus commodities from a port to a landlocked area.

Mr. CASE of South Dakota. That is correct.

Mr. ELLENDER. If the Senator from South Dakota is agreeable, I shall modify my amendment to that effect.

Mr. CASE of South Dakota. That accomplishes the purpose of my amendment. If the Senator from Louisiana will so modify his amendment, I am willing to withdraw by amendment.

Mr. ELLENDER. Mr. President, I so modify my amendment.

Mr. CASE of South Dakota. I should like to take 1 minute to explain the purpose of my amendment. It leaves paragraphs A and B of the Ellender amendment, but it removes paragraph C. The reason why I thought paragraph C should be removed was my desire to leave with the Foreign Aid Administration the authority to pay the freight from the ocean port into the port of entry of a landlocked country, if it so desires. I should like to make this a matter of record. I do so based on the very instance or illustration which the Senator from Louisiana used.

When President Eisenhower was in Karachi, he thought it so important to go to Kabul that he changed his whole itinerary in order to fly to Kabul. He thought it was important that we maintain friendly relationships with Afghanistan.

I happened to be in Karachi within just a few days after that happened. I talked with the Ambassador from Afghanistan to the United States. He was in a very friendly mood. He said the people of Afghanistan appreciated the visit by the President.

I believe it would be unfortunate at this time, following that visit, if we said that we would put the material in Karachi but would not carry it to Kabul, even if we could do so.

The Senator from Louisiana has kindly offered to modify his amendment so as to remove paragraph C. I think that is an improvement.

Mr. FULBRIGHT. Mr. President——

The PRESIDING OFFICER. The Senator from Arkansas has time in opposition to the Ellender amendment.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Arkansas as much time as he may desire.

Mr. FULBRIGHT. Mr. President, I am glad the Senator from Louisiana has accepted the suggestion not to delete the third paragraph. That will save some time. I believe this paragraph applies only to those commodities which private organizations ship to these landlocked countries. There are very few of them that I can think of offhand, such as Afghanistan, Laos, Nepal, and Bolivia. The committee bill applies to landdocked countries, where there are no seaports. It is designed to assist private charities. It is a very small matter. Even though it may violate the principle of jurisdiction of the Committee on Agriculture and Forestry, I am very much pleased that the Senator from Louisiana has accepted the amendment of the Senator from South Dakota.

With regard to jurisdiction, I think this is a very clear example of an instance of overlapping jurisdiction. It is unavoidable. The end use of these commodities in the foreign countries strikes me as certainly being the concern of the Committee on Foreign Relations. I do not know how we can escape that fact. I recognize that the motive of the original Public Law 480 was not to help foreign countries; it was to relieve our agriculture of the burdensome surpluses, but certainly our humanitarian instincts and desires could be satisfied also in this convenient way. This program now serves a dual purpose. Certainly the purpose is not solely to relieve the burden of our agricultural surpluses. One purpose is to help the country to dispose of its agricultural surpluses; the other is to aid in foreign lands in diverse ways.

I think it is quite proper for the Committee on Foreign Relations to consider any proposed improvement in the end use of the surplus commodities. That is all these amendments seek to do. They were proposed by the administration. I think they make much sense.

The first one, section 601, looks complicated in the report. I refer to page 30 of the report, in which the proposal is set forth as carefully as the staff and the administration could put it, because three different subsections—sections (k), (p), and (r), of section 104, Public Law 480—are involved. The end result is simply and solely to make available the use of foreign currencies, without an appropriation, for health and education related to economic development.

I think Congress has a great prejudice against education—though not the Senate, I may say. The attitude of the Senate has been quite enlightened. But in Congress there is a great prejudice against education in this country. That is why our educational system has run down. In any case, we ought not to allow prejudice to interfere with our effort to educate foreign peoples who need education and desire it.

All in the world that this very complicated amendment does, an amendment proposed by the administration and accepted enthusiastically by the committee, is to enable the use of foreign currencies for the purpose of improving health and education in ways which contribute to economic development.

Such currencies are used under circumstances similar to those we propose in this case, for other economic development activities, such as the construction of highways and similar projects, without appropriations. We propose that health and education be placed on at least a parity with the building of railroads or highways. It seems to me that education should be entitled to as much leeway, under our program, as are these other worthy objectives. That is all we seek to do.

Subsection (b) of section 601 is a procedural provision. Title II of Public Law 480 provides for the use of surplus agricultural commodities for relief—for instance, for the relief of famine. There is an overall ceiling that is equivalent to $300 million a year. Under that authority, such commodities can be given directly to those who are suffering from famine.

Under title I, the same commodities can be sold for local currencies—not for dollars—and the local currencies can be loaned or granted back to the country involved, for the same kind of process. It is necessary to go through an extra step of bookkeeping, and that complicates the program. It tends to pile up more foreign currencies in some of the most hard-pressed countries, where the needs are the greatest.

I do not pretend that this amendment involves a matter of life or death. The purpose can still be achieved, I believe, even if the amendment is agreed to; but the amendment would make its achievement more difficult.

I grant that almost every amendment that has been submitted is designed to make achievement of the program as difficult as possible. But then in the next breath those who submit the amendments complain about the maladministration of the program. That attitude involves the strangest sort of schizophrenia I have ever observed in connection with any legislation proposed here. Those who complain most bitterly about the waste and graft, as alleged, also urge the imposition of restrictions which would make proper administration impossible. On the one hand, Senators say they wish to get rid of the surpluses of our agricultural commodities. On the other hand, Senators attempt to place obstructions in the way of getting rid of those surplus agricultural commodities through the program under subsection (b). This amendment will make it more and more difficult to distribute our surplus agricultural commodities—for instance, in Tunisia, which is the location of the pilot project on which the program is based. This program enables the building of irrigation canals—a project of the type which does not require the use of very much technical equipment. Virtually all the demand in connection with the project is for labor. The cost of the project can be paid in part by giving the laborers wheat, rice, or corn, and so forth.

Mr. DIRKSEN. Mr. President, will the chairman of the committee yield?

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Illinois?

Mr. FULBRIGHT. I yield.

Mr. DIRKSEN. First, let me say that, as I understand, the only commodity actually involved here is wheat. Is that correct?

Mr. FULBRIGHT. That happens to be the one involved here. The proposed legislation would not restrict to wheat the commodities used, but wheat is the one that is actually used in this instance.

Mr. DIRKSEN. Second, nothing in the proposed provision we are now discussing would enlarge the authority to modify the so-called surplus agricultural products program, would it?

Mr. FULBRIGHT. This involves only the end use of it.

Mr. DIRKSEN. Third, this provision would simply permit the issuing of grain

which already is in storage, instead of cash, and simply would obviate a second step. Is that correct?

Mr. FULBRIGHT. Yes. Local funds, not American dollars, are involved.

Mr. DIRKSEN. That is correct.

Mr. FULBRIGHT. Yes; it simplifies the program.

The amendment of the Senator from Louisiana would simply put another obstacle in the way of the administration.

Mr. DIRKSEN. Let me say that I think I can understand the jurisdictional question which has arisen here. But the fact is that no broad change would be made in the so-called surplus farm commodity program; only an additional transfer would be available for economic development purposes.

Mr. FULBRIGHT. Yes. The amendment was proposed last year in connection with a bill sponsored by the Department of Agriculture under Public Law 480. That indicates the position of the Department of Agriculture. It favors this use of these commodities. The Department of Agriculture has approved the resubmission of this language in connection with this bill. The Department of Agriculture is in favor of this.

Mr. DIRKSEN. I think that states the whole case quite well.

Mr. FULBRIGHT. It is not a very complicated matter. I cannot understand why Senators would not wish this to be used; for example, for education. All these countries want improvement in education; and that can be provided by building schoolhouses and other projects which involve local costs, and which do not involve dollars.

I submit that these will be very helpful provisions of the bill.

Mr. AIKEN. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. Yes, if I have any time remaining available to me.

Mr. DIRKSEN. Mr. President, I yield to the distinguished Senator from Vermont 2 minutes on the bill.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 2 minutes on the bill.

Mr. AIKEN. Mr. President, I simply wish to say that I am not impressed by an argument that it is simpler to pay laborers on foreign public-works projects in commodities than it is to pay them in local currencies. I do not think we should undertake to tell the laborers in foreign countries what is good for them, particularly in the way of diet. Wheat is not the only commodity that is involved here; but even if we assume that it is the only one, do we know what an African worker on such a project would do with his pay, at the end of a week's work? Perhaps he would buy a shirt or some soap or some aspirin. But under the provision now proposed, when he received his pay, instead of receiving local currency, which would enable him to buy such articles, he would be given 24 boxes of Crispy Crunchy Crackles, made by the Crispy Crunchy Crackles Corp., of Cracklesville, U.S.A. Of course the boxes would be very nicely lithographed, and the worker probably would receive, in that way, more of such processed, packaged food than he had ever received before. But I do not think we should undertake to determine what would be the dietary requirements of every foreign family, and undertake to pay those workers on such a basis—as the State Department has said it would like to do. It has said it would not pay them more than they could use for their own families.

Mr. President, what kind of nonsense is this, anyway? As a matter of fact, this amounts to a toe in the door or a nose under the tent, in an effort to transfer the program for the disposal of surplus U.S. farm commodities from the Department of Agriculture to the State Department. That has been going on for 10 years; and this time it has a little more promise of success than it has had in previous years.

Mr. DIRKSEN. Mr. President, I yield myself 1 minute on the bill.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 1 minute.

Mr. DIRKSEN. Mr. President, I can concur in everything the distinguished Senator from Vermont has said. But the weakness of that case is that if partial pay is not accepted in the form of some sort of acceptable commodity which the family of the worker needs and uses, the individual worker in question simply will not have a job. The issue is that simple. If he is to be paid partly in kind, if he is willing, obviously it will be possible to increase the number of jobs in the economic development field. So that is the real benefit that is involved.

Mr. ELLENDER. Mr. President, since I have withdrawn one of my amendments by acceptance of Senator CASE's language, I believe I have 2 minutes remaining on that amendment. I ask for that 2 minutes at this time.

The PRESIDING OFFICER. The Senator from Louisiana has 6 minutes remaining.

Mr. ELLENDER. Then, Mr. President, at this time I yield myself 2 of those 6 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 2 minutes.

Mr. ELLENDER. Mr. President, as was correctly pointed out by my good friend, the Senator from Florida, title I of Public Law 480, provides for the sale of the surplus commodities and for the use of the proceeds from these sales for economic development within the country to which the surpluses have been sold, title II funds are to be used exclusively in case of famine or other disaster. Now it is desired to add to title II a proposal that the $300 million now allocated to that purpose can be used to promote economic development.

Mr. President, I believe that it is up to the Committee on Agriculture and Forestry to make that determination. Title II of Public Law 480 presently is subject to an authorization of only $300 million, and it is entirely possible that amount could be gobbled up overnight if it were used for economic development; if a famine or disaster should occur somewhere in the world, we would have to provide additional authority.

I repeat that when the Public Law 480 program was put on the statute books, under title I there were to be sales, and under title II gifts or donations, but such gifts were to be limited to cases of famines or other disasters.

What is sought to be done here today is to simply add more economic aid than the amounts apparently otherwise provided in the bill. The Foreign Relations Committee has limited the total amount to be authorized to $4 billion-plus, including military aid, but unless my amendment is adopted, it is possible that $300 million more in surplus commodities, can be added to the total amount.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. ELLENDER. I will yield on the Senator's time.

Mr. FULBRIGHT. Very well. I think the Senator ought to be at least accurate in his statement. We do not disturb the limitation of $300 million under title II, or what is provided under existing legislation.

Mr. ELLENDER. That it is an addition to the $4 billion-plus otherwise provided in the bill. In other words, the committee would make available up to $300 million additional and that is what I am opposing. Furthermore, in the brief time available, a study of Public Law 480 and other applicable statutes reveals no apparent prohibition against the resale of surplus agricultural commodities which might be donated to a recipient country for economic assistance under title II of Public Law 480 as it is sought to be amended by the committee amendment.

Thus, in theory, at least, it would be possible for wheat to be donated to country X for economic aid. Country X could then sell this wheat to county Y and realize benefits therefrom.

I realize that any transaction which the committee amendment would authorize would doubtless be the subject of an agreement between our country and the recipient country and the terms of this agreement could govern all aspects of this transaction. The avowed purpose of the amendment is to permit foreign countries receiving U.S. economic assistance or other aid to pay individuals in those countries in food or other agricultural commodities for labor which might be performed, or other services rendered.

If the language of the amendment were limited to this purpose, and if there were not committee jurisdictional problems involved, it would appear that the amendment is not harmful. On the other hand, the language of the amendment is so broad, it at least offers the possibility of gross abuses of the assistance it would authorize.

It should also be noted that title II of Public Law 480, specifies that "the President shall take rasonable precaution that such transfers will not displace or interfere with sales which might otherwise be made."

This would seem to protect our sales or other transactions, but would it protect normal transactions between the recipient country and third countries?

For example, assuming that the recipient country normally purchased large amounts of rice from Burma, and assuming further that we donated large

amounts of rice to the recipient country under the authority proposed in the bill, would the President, in making such donation have to bear in mind that the donation might reduce normal sales from Burma to the recipient country, thus leaving the way open to injure third countries while helping recipient countries?

Mr. HOLLAND. Mr. President, will the Senator yield to me 2 minutes?

Mr. DIRKSEN. I yield the distinguished Senator from Florida 2 minutes on the bill.

The PRESIDING OFFICER. The Senator from Florida is recognized for 2 minutes.

Mr. HOLLAND. I thank the Senator from Illinois. The report itself bears out exactly what the Senator from Louisiana has just said. If Senators will turn to page 31 of the committee report, they will find this sentence as the first sentence of the page:

The amendment would make it possible to furnish surplus agricultural commodities, on a grant basis—

That is under title II—

for purposes of economic development in underdeveloped countries where famine or other emergency situations do not exist.

If Senators will go to the last sentence in that same paragraph, they will note that, even by the committee report, this new use is more far reaching than has been shown here on the floor, and I quote:

It will also have the effect of enabling Public Law 480 to be used, to some extent, to supplement funds for defense support and special assistance, but it cannot, of course, be used as a substitute for dollar programs.

It is just as clear as a bell that this proposed change not only takes from grants to relieve suffering and famine and great disaster and emergency, so as to diminish that which is the most gracious part of our program, but, also, deliberately earmarks those funds for three additional purposes, as shown by the report, for the building up of economic development in underdeveloped countries where there is not any such deprivation, and for the supplementing of funds for defense support and special assistance.

I close by pointing out to the Senate that not only is that true, but this plan puts a competing organization, the Department of State, in these three fields to handle what is being done under Public Law 480 by the Department of Agriculture. Could it be made clearer than the report itself demonstrates that this is not just the camel's nose under the tent, but is a major blow to take away control of surplus commodities from the Department of Agriculture?

Mr. FULBRIGHT. Mr. President, do I have any time?

The PRESIDING OFFICER. 10 minutes remain to the Senator.

Mr. FULBRIGHT. I yield myself 3 minutes.

I do not know how a committee can possibly make anything clearer, so far as the way I read the lenguage is concerned, and yet be so completely misinterpreted. If Senators will consider the next sentence after what the Senator from Florida read, they will see it reads:

It should be borne in mind in this connection, however, that this new authority will be subject to the overall limitation of $300 million a year on the value of commodities which can be furnished under title II of Public Law 480.

The Senator has stated this will be done at the expense of poor, suffering, starving people. Under this authority, the maximum that has been used is $130 million in equivalent currencies. I want to qualify the figures we are applying to foreign currency. The $130 million would be equivalent currencies. We are not dealing with dollars. These are funds from the sale of foreign currencies.

I do not see how this language could be plainer. We are not adding anything at all. Under existing authority there is now the right to use the equivalent of $300 million of commodities for the relief of starving people in an emergency. All in the world we are doing is stating that, within that limit, in addition to relieving them in the event of a disaster, we may be permitted to pay the local unemployed people to dig a ditch or build a road, or do some similar work. The pilot project that was used was the building of an irrigation ditch, in which most of the work is hand labor in these rather underdeveloped countries. The use of such funds does not impose any additional burden on the program at all. It will to some extent utilize unused authority under the $300 million limitation. That is as far as it could possibly be used.

The authorization would make possible getting rid of a little more of the accumulating bushels of wheat, which I thought everybody interested in agriculture desired to see done. The Department of Agriculture is for it. If the Committee on Agriculture and Forestry is to use this as a test case to see that the Committe on Foreign Relations shall never have anything to say about what is done with foreign currencies, I deny their jurisdiction. I think it is a complete misinterpretation of the concept of jurisdiction. The Foreign Relations Committee has a very important interest in what is done in foreign countries with the currencies that are developed from the disposal of commodities; and I would not for a moment let such a provision be interpreted as my acquiescene in assertion of exclusive jurisdiction over everything that is done beyond our shores in this field.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

The PRESIDING OFFICER. The 3 minutes the Senator yielded have expired.

Mr. FULBRIGHT. Mr. President, I yield myself 3 more minutes.

Mr. DIRKSEN. I thought a moment ago the distinguished Senator from Florida made the point that there would be duplication of administrative activities as between the Department of Agriculture and the State Department. My understanding is that actually the State Department, through ICA, already administers title II of Public Law 480. Therefore, I could detect no duplication of administrative functions.

Mr. FULBRIGHT. I am absolutely at a loss to understand the feeling that we ought not to have anything to say, except upon the jurisdictional basis. From an efficiency point of view, it seems much more sensible to avoid the round-about procedure of having to sell a bushel of wheat for a local currency, and to take the franc, if it happens to be in Tunisia, and give it to the workman, who will go out to buy a bushel of wheat. That is about what it amounts to.

Mr. ELLENDER. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. What is the pending question?

The PRESIDING OFFICER. The question is on agreeing to the Ellender amendment "K," as modified. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Alabama [Mr. HILL], the Senator from Oklahoma [Mr. KERR], the Senator from Oregon [Mr. LUSK], the Senator from Montana [Mr. MURRAY], the Senator from Maine [Mr. MUSKIE], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

The Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

On this vote the Senator from Oklahoma [Mr. KERR] is paired with the Senator from Oregon [Mr. LUSK]. If present and voting, the Senator from Oklahoma would vote "yea" and the Senator from Oregon would vote "nay."

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Montana [Mr. MURRAY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from Connecticut [Mr. BUSH], and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Nebraska would vote "yea."

The result was announced—yeas 45, nays 38, as follows:

[No. 177]

YEAS—45

Aiken	Ervin	Morse
Bartlett	Frear	Moss
Beall	Goldwater	Mundt
Bible	Gruening	O'Mahoney
Butler	Hartke	Prouty
Byrd, Va.	Hickenlooper	Randolph
Byrd, W. Va.	Holland	Robertson
Cannon	Johnston, S.C.	Russell
Case, S. Dak.	Jordan	Schoeppel
Cooper	Lausche	Stennis
Cotton	Long, La.	Talmadge
Curtis	McClellan	Thurmond
Dworshak	Magnuson	Williams, Del.
Eastland	Mansfield	Yarborough
Ellender	Martin	Young, N. Dak.

NAYS—38

Allott	Fulbright	McCarthy
Bennett	Gore	McGee
Brunsdale	Green	McNamara
Carlson	Hart	Monroney
Carroll	Hayden	Pastore
Case, N.J.	Hennings	Proxmire
Church	Jackson	Saltonstall
Clark	Javits	Scott
Dirksen	Johnson, Tex.	Smathers
Dodd	Keating	Smith
Douglas	Kefauver	Wiley
Engle	Kuchel	Williams, N.J.
Fong	Long, Hawaii	

NOT VOTING—17

Anderson	Hruska	Murray
Bridges	Humphrey	Muskie
Bush	Kennedy	Sparkman
Capehart	Kerr	Symington
Chavez	Lusk	Young, Ohio
Hill	Morton	

So Mr. ELLENDER's modified amendment to the committee amendment was agreed to.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. AIKEN. Mr. President, I move to lay that motion on the table.

The motion to table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ELLENDER. I call up my amendment identified as "4–28–60—O."

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 11, line 25, strike out the period and add the following: "but in no case shall any reimbursement by the International Cooperation Administration to the Department of Defense, or any agency thereof, for such excess equipment exceed the usual value of excess equipment as determined under section 545(h) of this Act."

The PRESIDING OFFICER. Five minutes are available on each side on the amendment.

Mr. ELLENDER. I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator is recognized for 3 minutes.

Mr. ELLENDER. Mr. President, the sole purpose of this amendment is to prevent unjust enrichment of the Defense Department at the cost of the mutual security program. Under existing law, when excess equipment is transferred from the military to the mutual security program, the mutual security program is charged only the rehabilitation cost of such equipment.

The committee amendment, I fear, may leave a loophole with regard to equipment which can be shipped to Latin America.

I do not desire to tinker with the $55 million limitation on such shipments provided under the bill. However, I do fear that under the committee's language, which specifies that excess equipment is to be valued at acquisition cost for the purposes of the limitation, it may be interpreted by the executive agencies that the committee desires the Defense Department or any agency thereof to be reimbursed from mutual security accounts on the basis of not rehabilitation cost, as is the case with excess equipment, but on acquisition cost.

My amendment merely seeks to make it clear that for the purposes of meeting the $55 million limitation, excess equipment is to be assigned the value of acquisition cost, but for the purposes of reimbursement from MSA accounts, such equipment is to be valued at rehabilitation cost, as is now specified under section 545(h) of the Mutual Security Act, as amended.

I realize that perhaps my amendment is not artfully drawn, but I think the purpose of it is clear, and let me repeat, if my amendment should be adopted, there would actually be two values assigned to excess equipment shipped to Latin American areas.

First, for the purposes of the $55 million limitation, and for no other purpose, such equipment would have to be assessed at acquisition cost, but second, for the purposes of reimbursement from MSA to Department of Defense account, reimbursement must be based upon rehabilitation cost, in accordance with the existing provisions of section 545(h), and not acquisition cost, which, if applied for reimbursement, would unjustly enrich the Department of Defense and agencies thereof at the expense of the mutual security program.

Mr. FULBRIGHT. I yield myself 3 minutes.

As I interpret the amendment, it has no application here. If the Senator seeks to change the formula by which excess equipment is valued, he should seek to amend section 545(h) of the act.

It is not the intent of this section in the bill to change that formula, and we do not believe we have changed it. All that the section on page 11 of the committee amendment seeks to do is to set the ceiling on the amount of the military aid given to Latin America at $55 million. We have no intention of changing the formula for valuing the equipment. I refer to the language in parentheses on page 11: "(as excess is defined in section 545(h) of this act)."

We do not wish to change that language. If we have inadvertently made an error, we will be glad to correct it. I believe the Senator from Louisiana is in error as to the meaning of that section. In other words, the International Cooperation Administration does not reimburse anyone, under this section, for anything. This is military assistance. The ICA does not now nor would it under this language reimburse for anything under the formula that is used.

The formula for arriving at $55 million is the existing formula in section 545(h), in the opinion of the chairman and in the opinion of the staff of the Committee on Foreign Relations. I think that either the Senator or I misinterpreted the language.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. ELLENDER. Am I to understand that the ICA is not charged with collecting for the sale?

Mr. FULBRIGHT. Yes.

Mr. ELLENDER. Probably some branch of the military will administer the transaction. Whatever agency does administer it cannot charge more for the excess equipment than the cost of rehabilitating it. That is the intent of my amendment.

Mr. FULBRIGHT. What we believe this means is that in arriving at the ceiling of $55 million as to the amount of the material that is included, the agency will use the formula now in existence in section 545(h).

Mr. ELLENDER. Which is what?

Mr. FULBRIGHT. It is a very complicated formula, as the Senator knows. I will not undertake to describe it, without reading it to the Senator. It involves a variety of elements. We do not seek to change it in the bill; that is all I am saying. We do not touch the existing formula for arriving at the value of excess equipment.

Mr. ELLENDER. Mr. President, will the Senator further yield?

Mr. FULBRIGHT. I yield.

Mr. ELLENDER. The Senator is familiar with what happened several years ago in the Defense Department, when a good deal of secondhand material was sold to the mutual security program at either original cost or replacement cost. The military got a windfall.

Mr. FULBRIGHT. Yes.

Mr. ELLENDER. In that way they were able to get brandnew material and at the same time drain off their excess stocks.

Mr. FULBRIGHT. Yes. The formula I referred to was worked out as a result of that. We do not change the formula.

Mr. ELLENDER. So as to make legislative history, I understand it is the intention of the committee not to change the formula at all. Is that correct?

Mr. FULBRIGHT. Absolutely.

Mr. ELLENDER. Which means in no case will the MSA account be charged for excess military equipment more than rehabilitation cost. Is that correct?

Mr. FULBRIGHT. I do not want to undertake to say, off the cuff, what 545(h) means. I will get it and read it. It has in it more than what the Senator from Louisiana says is in it. That is a formula which was worked out as the result of experience, as he stated. We are not changing the formula. If the Senator wishes to change it, he should direct his amendment to the formula, not to this particular section of the bill.

Mr. ELLENDER. The language I propose is:

But in no case shall any reimbursement by the International Cooperation Administration—

I can change that to read "by the agency," rather than "International Cooperation Administration." The amendment will then read:

But in no case shall any reimbursement by the agency to the Department of Defense, or any agency thereof, for such excess equipment exceed the usual value of excess equipment as determined under section 545(h) of this act.

Mr. FULBRIGHT. I think it is unnecessary to have such language, but if it gives the Senator from Louisiana any great pleasure, and the Senate wishes to accept it, they can accept it. I think it is utterly superfluous, because we do not intend to change the formula.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. SALTONSTALL. Section 545(h), as I read it, was worked out by the Senator from Georgia and me in the original mutual security bill.

Mr. FULBRIGHT. That is correct.

Mr. SALTONSTALL. In all the years since then, so far as I know, the Committee on Appropriations has never had a case in which this question has arisen. I do not see that the amendment of the Senator from Louisiana adds to or detracts in any way from the situation.

Mr. FULBRIGHT. Neither do I.

Mr. SALTONSTALL. If the Army, for example, has miscalculated the amount that is needed for weapons, all it needs to do is to change the figures, but I have never heard of a case coming before the Committee on Appropriations.

Mr. FULBRIGHT. We say "excess as defined in section 545(h)."

The PRESIDING OFFICER. The time of the Senator from Arkansas has expired. The Senator from Louisiana has 1 minute remaining.

Mr. ELLENDER. What is the meaning of the language on page 11, line 24, "shall mean the acquisition cost to the Armed Forces of the United States for such equipment and material"?

It strikes me that that language changes the act to which the Senator from Massachusetts has just referred. That is what bothers me.

Mr. FULBRIGHT. I think that relates to material—the excess equipment. The bill reads: "(as excess is defined in sec. 545(h))."

I think this is what we had in mind. The materials may not be excess equipment, but materials which are excess and do not come under that provision.

Mr. ELLENDER. I wonder if the Senator would accept the amendment. I think he can see what I have in mind.

Mr. FULBRIGHT. Yes. It is not the ICA.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. FULBRIGHT. I have no objection.

Mr. President, do I have any time left?

Mr. DIRKSEN. Mr. President, I yield the Senator from Arkansas 2 minutes on the bill.

Mr. FULBRIGHT. I do not object to the objective. I am willing to accept the amendment. But how does the Senator wish to amend it?

Mr. ELLENDER. Instead of the International Cooperation Administration, let the amendment apply to the account from which reimbursement is made, in the following manner:

On page 11, line 25, strike out the period and add the following: "but in no case shall any reimbursement to the Department of Defense, or any agency thereof, for such excess equipment exceed the usual value of excess equipment as determined under section 545(h) of this Act."

Mr. FULBRIGHT. I am willing to accept the amendment as modified and take it to conference. The objective of the Senator is perfectly all right.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, offered by the Senator from Louisiana.

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ELLENDER. I call up my amendment designated "4–28–60—N" and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 20, beginning with line 15, it is proposed to strike all through line 21.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 5 minutes.

Mr. ELLENDER. I yield myself 4 minutes. The language that is sought to be deleted reads:

(c) In section 505(a), which relates to loan assistance and sales, insert after the first sentence the following new sentence: "Commodities, equipment, and materials transferred to the United States as repayment may be used for assistance authorized by this act, other than title II of chapter II, in accordance with the provisions of this act applicable to the furnishing of such assistance."

What I seek to do is to prevent the United States from accepting from a foreign government wornout equipment in payment for good, modern equipment, and then taking the wornout equipment given by a foreign country and transferring it to some other foreign country.

The explanation given by the Committee on Foreign Relations, according to an excerpt from which I shall read, is that an ambiguity arises in connection with commodities, equipment, and materials received by the United States in return for assistance furnished on a barter basis. As consistently explained and interpreted by the agencies administering the program, these materials cannot be further used.

The amendment will make possible an arrangement whereby, for example, the United States may furnish one type of military equipment to a European country in return for a second type of military equipment, and then the second type could be furnished to a third country.

As the law is now interpreted, this transaction can be accomplished only if the United States sells this military equipment for foreign currency, and uses the currency to buy the second type of equipment.

What could happen, if this language were to remain in the bill, is that the United States could furnish to a country—let us say England, France, or Italy—brandnew equipment; and instead of getting paid in cash for it, there would be authority to accept that country's secondhand equipment or obsolescent equipment as payment. My purpose is to prevent that.

In other words, if we are to furnish a country in western Europe with brandnew equipment, I do not believe we should accept in payment for it anything but cash or equipment of equal value. It is true, and it may be argued, that the equipment obtained from a country abroad can be made use of by the United States, by our giving it to another country. I do not believe we should permit that practice, because I can visualize the countries of western Europe getting brandnew equipment from us and dumping their own worn out, obsolescent equipment into our laps as "payment." That is what I seek to prevent.

Mr. FULBRIGHT. Mr. President, I yield myself 4 minutes. I am, of course, always impressed by the laudable objectives of the Senator from Louisiana. We all want to have a better administration of the act. I do not believe it is possible by any legislative act to legislate against any misjudgment or lack of a high type of wisdom in the administration of these programs.

All this amendment expresses is a sentiment, I think, that our military people are so studpid that they would barter away our material for inferior equipment. Under existing law, they have the authority to sell our equipment for local currency. They can then turn around and purchase the type of equipment to which the Senator objects. If they are idiots and do not have any sense, they will purchase obsolete, no-good equipment and will pass it on. This gives the authority to barter.

The administration feels this is the more efficient way. The executive branch states that it fails to understand why the Congress would authorize barter transactions, but would refuse to authorize, in a manner which would clearly permit more efficient and simplified administration, the use of equipment and commodities resulting from such transactions.

That is all that is involved here. It is an effort on the part of the administration to achieve a more efficient and simplified administration of the program.

As I have noted before, of course, a Senator who is opposed to the bill does not want the program to be efficiently administered and does not want to have a good reputation established for the program. In the view of such a Senator, the more one can blacken the reputation of the program or the more one can make the administration of the program inefficient, the more likely it is, in the opinion of such Senators, that the program can be completely abolished.

I pointed out that this provision is included at the request of the administration, to make more efficient the administration of the military assistance program, and to simplify it. This proposal reminds me somewhat of the pro-

posal in regard to the use of commodities. The Senate rejected that proposal, and thus refused to make that operation more simplified and more efficient. So perhaps the Senate will reject this proposal. I can only say that the administration and those who are best qualified to administer this program believe this provision will enable them to administer the military assistance program more efficiently than it is now being administered.

Mr. ELLENDER. Mr. President, I am glad to have had that statement made by my good friend.

This provision in the committee bill merely permits the barter of new equipment for poor equipment or secondhand equipment. For the life of me, I cannot understand why it is considered so much trouble to go through the process of purchasing the equipment or selling the equipment. Certainly the money can be used to buy equipment, rather than to barter it. I feel that if that language remains in the bill, we shall find a great deal of our brandnew, costly equipment bartered with some countries of Western Europe for their old, obsolete equipment. If we accepted it and then sold it, perhaps we could get something for it. But in any event it would be obsolete equipment which we could not use, although we might be able to let some other country have it.

On many occasions we have been criticized by our friends for giving them obsolete equipment, yet, the committee amendment would make it possible for the United States to receive military equipment from European countries excess to their own needs, in return for equipment which these European countries might think they needed, and would then permit the United States to donate the used, obsolescent European equipment to other countries. It would seem that the committee amendment offers a means for the Europeans to siphon off their obsolete military equipment at our expense.

Furthermore, as I have said, it would permit the Department of Defense and the International Cooperation Administration to claim that we were actually receiving payment for missiles or other modern equipment which we would supply to the European countries, whereas, the fact of the matter is we would only be receiving antiquated material for which the European countries had no further need.

If Europe wants to get rid of its antiquated equipment, it can well afford to undertake its own mutual security program, or assist us in the military aid we are extending to countries whose continued existence is as important to the security of the Western European countries as to our own; namely, Formosa, Vietnam, Korea, and others.

Mr. FULBRIGHT. Mr. President, perhaps there is no need to say more about this matter. If it were desired, the same money could be used to purchase poor equipment. If Senators do not trust the administration of the program, there is little that they can do in this case. We must assume that those who administer the program are skilled and will proceed in a wise fashion, and will not act foolishly.

Mr. SALTONSTALL. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. Yes, if I have time in which to do so.

The PRESIDING OFFICER. The time available to the Senator from Arkansas has expired.

Mr. DIRKSEN. Mr. President, I yield to the Senator from Massachusetts 3 minutes on the bill.

Mr. SALTONSTALL. I thank the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 3 minutes on the bill.

Mr. SALTONSTALL. Is it the purpose of this provision—which is included for the first time by the committee—to permit materiel and equipment which no longer is useful in, let us say, England or France, for example, to be used in South Vietnam or elsewhere?

Mr. FULBRIGHT. That is correct; they can use it wherever they believe it is wise to use it.

Mr. SALTONSTALL. And our country would not take it unless the administrators believed it could be used to good advantage elsewhere; is that correct?

Mr. FULBRIGHT. I assume so. I cannot see any harm in this provision if such a circumstance should arise. There is considerable difference between the usefulness of a piece of equipment in Europe, where the military forces might possess highly mechanized equipment, for mechanized warfare, and in the jungles of Vietnam, for instance. Such equipment might be obsolete under the circumstances in Europe, but might be highly effective for use in the jungles of Vietnam. I do not understand why the administrators should not be allowed to use such equipment wherever it would be most useful.

Mr. SALTONSTALL. Will not this provision result in the saving of money?

Mr. FULBRIGHT. I think so. I cannot understand why the Senator from Louisiana wishes to hamstring the administration of this program all the time. How does he expect those in charge of the program to administer it effectively if they are surrounded with great amounts of red tape?

Mr. ELLENDER. Mr. President, the Senator from Arkansas admits that the program under this provision is a barter arrangement, does he not?

Mr. FULBRIGHT. Yes; but those who administer the program now have authority to sell for local currencies. So what is the difference?

Mr. ELLENDER. But, in my judgment, the point is that these foreign governments will then be able to say, "We paid for your missiles. We are not getting it for nothing." But what would they pay with? They would pay with obsolete equipment that they no longer desired—perhaps even equipment that we regularly donated to them.

We have given many airplanes to our NATO allies, either directly or through offshore procurement. These aircraft are now obsolete and we are giving missiles to our so-called allies in Western Europe. The American people are getting sick of this kind of program. Yet, under this bill, it would be possible for our "generous" allies in Europe to pay for our missiles with airplanes which we regularly donated to them. This is the kind of situation which I wish to prevent.

The PRESIDING OFFICER. The question is on agreeing to the amendment lettered "N," of the Senator from Louisiana.

Mr. ELLENDER. Mr. President, on this question, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll,

Mr. DIRKSEN. Mr. President, I ask unanimous consent that further proceedings under the call be suspended.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I yield myself 2 minutes on the bill.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 2 minutes.

Mr. DIRKSEN. Mr. President, I may say that there is pending an amendment offered by the Senator from Louisiana [Mr. ELLENDER] which proposes to strike out language that has been inserted by the Foreign Relations Committee in section 505 of the Mutual Security Act. That section deals with loan assistance and savings, and, among other things, it says that the United States may receive materials for stockpiling in the form of foreign currency, or, generally speaking, it can received materials and equipment, except that they have got to be reduced to foreign currencies, and then the money can be used for further assistance.

The committee wrote a provision in the bill which states in effect that we can, in return for our assistance, accept commodities; that they can be stockpiled; that we can accept equipment; that we can accept the materials as repayment, which may be used for assistance authorized by this act or other than under title II.

I simply make the point that if this amendment prevails, those who administer the program are going to have to sell the material they accept, convert it into local currencies in foreign countries, and then they can use the same currencies for assistance.

The PRESIDING OFFICER. The 2 minutes of the Senator from Illinois have expired.

Mr. DIRKSEN. Mr. President, I yield myself 1 additional minute.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 1 additional minute.

Mr. DIRKSEN. What the committee has said is that the material can be used virtually on a barter basis; and in so doing, it would appear to me, among

other things, there would be a very substantial saving in the form of transportation cost. But the chairman of the Foreign Relations Committee makes the important point that, surely, the persons who are going to administer the program will use their best judgment with respect to the interest of the United States.

The background that goes with the question has not been adequately presented at all, in my judgment. This looks like another suggestion for tying the hands of the administration officials, and for that reason I hope the amendment will not prevail. I am ready for the yeas and nays.

The PRESIDING OFFICER. All time on the amendment has expired. The question is on agreeing to the amendment identified as "N," offered by the Senator from Louisiana [Mr. ELLENDER] to the committee amendment. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alabama [Mr. HILL], the Senator from Oklahoma [Mr. KERR], the Senator from Montana [Mr. MURRAY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

The Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

On this vote the Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from Virginia [Mr. ROBERTSON]. If present and voting, the Senator from Massachusetts would vote "nay" and the Senator from Virginia would vote "yea."

The Senator from Oklahoma [Mr. KERR] is paired with the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from Oklahoma would vote "yea" and the Senator from Missouri would vote "nay."

I further announce that if present and voting, the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Ohio [Mr. YOUNG] would each vote "nay."

I further announce that if present and voting, the Senator from Montana [Mr. MURRAY] would vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from Connecticut [Mr. BUSH], and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is necessarily absent, and, if present and voting, would vote "nay."

The Senator from Indiana [Mr. CAPEHART] is absent on official business, and, if present and voting, would vote "nay."

The result was announced—yeas 28, nays 57, as follows:

[No. 178]

YEAS—28

Bartlett	Byrd, W. Va.	Douglas
Bible	Cannon	Dworshak
Byrd, Va.	Chavez	Eastland
Ellender	Long, Hawaii	Schoeppel
Ervin	Long, La.	Stennis
Frear	McClellan	Talmadge
Gruening	Mansfield	Thurmond
Hartke	Morse	Young, N. Dak.
Johnston, S.C.	Moss	
Jordan	Russell	

NAYS—57

Aiken	Fulbright	McNamara
Allott	Goldwater	Magnuson
Beall	Gore	Martin
Bennett	Green	Monroney
Brunsdale	Hart	Mundt
Butler	Hayden	Muskie
Carlson	Hennings	O'Mahoney
Carroll	Hickenlooper	Pastore
Case, N.J.	Holland	Prouty
Case, S. Dak.	Jackson	Proxmire
Church	Javits	Randolph
Clark	Johnson, Tex.	Saltonstall
Cooper	Keating	Scott
Cotton	Kefauver	Smathers
Curtis	Kuchel	Smith
Dirksen	Lausche	Wiley
Dodd	Lusk	Williams, Del.
Engle	McCarthy	Williams, N.J.
Fong	McGee	Yarborough

NOT VOTING—15

Anderson	Hruska	Murray
Bridges	Humphrey	Robertson
Bush	Kennedy	Sparkman
Capehart	Kerr	Symington
Hill	Morton	Young, Ohio

So Mr. ELLENDER's amendment "N" to the committee amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ELLENDER. Mr. President, I offer the amendment which I send to the desk and ask to have stated. It is designated "4–28–60—P."

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana will be stated.

The LEGISLATIVE CLERK. At the appropriate place in the committee amendment, it is proposed to insert the following:

Chapter III of the Mutual Security Act of 1954, as amended, is further amended by adding to section 451(b) thereof the following sentence: "But in no instance shall the funds authorized under this chapter be used to augment any other category of assistance for which appropriations have been provided pursuant to the authority of this Act, unless the President finds that such augmentations are made necessary by considerations which were either entirely unforeseen or foreseen so tentatively as not to justify firm programing at the time programs authorized under this Act were submitted to the Congress."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, as is well known, the contingency fund was created to meet the requirements of our foreign-aid program which at the time of congressional presentation are either entirely unforeseen or foreseen so tentatively as not to justify programing.

Prior to fiscal year 1960, the contingency fund had been used to assist us in meeting the crises that developed throughout the world, such as those enumerated on page 23 of the report of the Senate Foreign Relations Committee, from which I now read:

Among the major uses to which the fund has been put in recent years have been additional assistance to Taiwan to meet the crisis in the Taiwan Straits, additional assistance to several countries in the Middle East to meet the crisis in that area stemming from the Iraqi revolution and the Lebanese disturbances, and relief work in the wake of a variety of natural disasters around the globe.

The crises referred to above, Mr. President, occurred prior to fiscal year 1960. During fiscal year 1960, no such crises occurred. However, notwithstanding this, our do-gooders have found a way to rape the contingency fund.

Since the money in this fund can be used for furnishing military assistance, defense support, special assistance, technical cooperation, or any of the other purposes of the Mutual Security Act, except for the Development Loan Fund, these squanderers of the taxpayers' money have proceeded to transfer from the contingency fund the following amounts during fiscal year 1960 through January of 1960:

To military assistance, $31,247,000.
To defense support, $67,473,000.
To special assistance, $14,663,000.
To technical cooperation, $1,832,000.
To other programs, $1,970,000.

What my amendment seeks to do is to require the contingency fund to be used for the purpose for which it was created, namely, to meet bona fide crises.

The only purpose of my amendment is to confine defense support and other categories of aid to the amounts which Congress appropriates. I think it is wrong, both morally and legally, for the executive department to use a special fund, the contingency fund, to restore congressional cuts in appropriations. I believe that the continguency fund ought to be used only for the purposes for which it was created.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. ELLENDER. Mr. President, I ask unanimous consent to proceed for an additional half minute.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. YARBOROUGH. Did I correctly understand the Senator to say that for the past fiscal year money appropriated for the contingency fund was divided among other items listed on page 2?

Mr. ELLENDER. The Senator is correct. That is exactly what happened, because there were no crises. Yet, the Administrators found a way to gobble up the money.

Mr. YARBOROUGH. The contingency fund was set up to take care of crises.

Mr. ELLENDER. Yes. What really happened was that the cuts that were made by Congress were restored in an indirect way by using the contingency funds.

Mr. YARBOROUGH. I thank the Senator for clarifying the matter.

Mr. FULBRIGHT. Mr. President, I yield myself 4 minutes. It has been said here today that Congress is losing its control to the executive. This is an example of Congress taking over the dis-

cretion which we have traditionally given to the executive in connection with these funds.

The contingency fund is less than 5 percent of the total appropriation. The provisions of this modest flexibility clearly indicate that its purpose and potential are to reflect marginal adjustments rather than fundamental alterations in the use of funds.

The effect of the Senator's amendment would be to tie the hands of the executive, and the executive would not have the freedom for making readjustments which now exists.

He says there are no crises in the world today. I wish I could believe that. It seems to me that anywhere one looks there is some kind of a crisis. There is one in Korea. One is threatening in Turkey. There are crises in the Caribbean. I do not know of any place in the world where there has not been a crisis.

Mr. ELLENDER. But the money was not used on a "crisis" basis I may say. It was used to restore congressional cuts in appropriations.

Mr. FULBRIGHT. The amendment assumes that we can always tell precisely what is going to be needed in any given area, whether it be programed or not programed. We know from our own experience that supplemental appropriations are made from time to time, and in some cases those appropriations are almost as large as the original appropriations. That shows the inability of Congress even in domestic situations to foresee exactly the size of a program and the needs of a particular program. That is also true in the foreign field.

It is the same procedure that we use in a domestic field in connection with supplemental appropriations. I submit it is impossible for the administration to foresee what contingency may arise, or to determine precisely the size of a given program.

The amendment would unduly interfere with the orderly administration of the program. Here again is an example of an effort to put obstacles in the way of an orderly administration of the program, which is a very difficult and complicated program. Again I say it is not a coincidence that those who support the amendment are those who are opposed to the program in toto. If we were to accept all the amendments that have been offered along this line, it would hamstring the whole program, and next year, I suppose, we would have to adandon it, because it would be completely futile. I assume this is part of the purpose of such amendments. It surely would do that. If we were to accept this amendment and amendments of a similar nature that is what would happen. I congratulate the Senator from Louisiana on his ingenuity in finding ways to make the administration of the program impossible. I hope the Senate will not accept the amendment.

I ask unanimous consent to have printed in the RECORD at this point a statement in explanation of the amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR FULBRIGHT
USE OF CONTINGENCY FUND

Senator ELLENDER has proposed an amendment providing that no part of the contingency fund in section 451(b) may be used to augment any other appropriation in the Mutual Security Act unless the President finds that such augmentations are made necessary by considerations which were either entirely unforeseen or foreseen so tentatively as not to justify firm programing at the time of the presentation to the Congress.

The executive branch is opposed to this amendment since it is either unnecessary or intended to withdraw a very important and essential degree of flexibility on the use of the contingency fund to meet the requirements of our national interests.

For a number of years the Congress has authorized and appropriated funds under this section which could be used not only to meet needs which were unforeseen or were foreseen so tentatively as not to justify firm programing at the time of the presentation to Congress but also to make adjustments in various other aid categories above the amounts specifically appropriated for those categories of assistance. The facts of such use and of all other uses of the contingency fund have been fully and promptly reported to the Congress.

The need for this flexibility stems from the impossibility of either the executive branch or the Congress being able to forecast with precision the political, military and economic developments which will occur throughout the globe over a period extending from 6 to 18 months after the program is presented to the Congress. Particularly in the categories of defense support and special assistance the amounts proposed by the executive branch for authorization and for appropriation are necessarily forecasts of requirements which are based on assumptions as to the course of international developments over this future period. Similarly when the Congress acts to authorize and appropriate money for these categories of assistance it also makes judgments which are necessarily based on its assumptions as to what will transpire during this future period.

After appropriations have been made available, which is normally an appointed time, approximately a year after the executive branch estimates were formulated for presentation, it has been the practice of the executive branch to reassess needs in all categories of assistance in the light of fund availabilities and recent developments. Similar reassessments are made throughout the course of the fiscal year. The Congress has wisely provided in the contingency fund a means by which modest adjustments can be made in amounts available for various categories of assistance, when in the judgment of the executive branch such action is necessary in the national interest. Monthly reports of the use of funds are provided to the Congress and set forth the reasons for each such action.

The dimension of the contingency fund is less than 5 percent of the total appropriation being sought. The provisions of this modest flexibility clearly indicates that its purpose and potential are to reflect marginal adjustments rather than fundamental alterations in the use of funds.

If the sort of adjustments described which are necessitated by a reconsideration of the international situation at a later point in time are comprehended within the exception provided in the amendment, then the amendment has no effect and is unnecessary since it would merely describe the procedure being followed. If on the other hand the intention of the amendment is to prevent revisions in aid categories when a reconsideration of the situation in the light of existing facts warrant such action in the judgment of the executive branch, then it would represent an unwarranted and highly objectionable degree of rigidity and flexibility in the handling of this program to which the executive branch would be strongly opposed.

Mr. LONG of Louisiana. Mr. President——

Mr. FULBRIGHT. I yield 1 minute to the Senator.

Mr. LONG of Louisiana. I am in opposition to the committee provision.

Mr. FULBRIGHT. That is all right.

Mr. LONG of Louisiana. I believe the amendment has a great deal of merit. It merely provides that the contingency fund shall be used for the purposes for which it was set up.

Every time we try to reduce the waste in the program we are told that we are against the whole program. Many of us are not opposed to the program itself but to the waste and graft and corruption in the program. If we could devise a foreign aid program which would eliminate most of the waste and mishandling of funds, I would be pleased to vote for it. However I for one will not be coerced to vote against an amendment merely because we are told that we do so because we are opposed to the whole aid program.

Mr. FULBRIGHT. Mr. President, did the Senator say that he would vote for an aid program?

Mr. LONG of Louisiana. Yes; if the program were limited to the purposes it espouses, rather than permitting such waste and mismanagement. I would be pleased to vote for that kind of program.

Mr. FULBRIGHT. Did the Senator vote for the one that was reported last year?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG of Louisiana. Mr. President, will the Senator yield me 30 seconds more?

Mr. FULBRIGHT. I yield 30 seconds more.

Mr. LONG of Louisiana. I started out by voting for the program. I heard Arthur Vandenberg speak for it. I believe I voted for about the first $30 billion. Then I began to discover the fantastic mismanagement and graft. The more of this I see the more I am inclined to vote against it, in the hope that we can bring about an end to all this mismanagement and waste. Here there is an instance in which the advocates of this program have restored as contingency funds many of the same expenditures which Congress considered and refused to allow. I admire the senior Senator from Louisiana for trying to correct the situation.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from Idaho.

Mr. CHURCH. Mr. President, I feel constrained to support this amendment. I am not one who is generally opposed to the aid program. Rather, I am one who has supported it. The amendment merely undertakes to implement what Congress intended to provide at the time the President's contingency fund was written into this law.

I call attention to the language in the amendment. It reads:

But in no instance shall the funds authorized under this chapter be used to augment any other category of assistance for which appropriations have been provided pursuant to the authority of this Act, unless the President finds that such augmentations are made necessary by considerations which were either entirely unforeseen or foreseen so tentatively as not to justify firm programing at the time programs authorized under this Act were submitted to the Congress.

This language is merely a restatement of the very purpose that Congress had in mind when the contingency fund was established. We expect the President to come to Congress, whenever he can foresee the need for money and present his argument for an authorization. We gave him a contingency fund for those cases where he cannot foresee the need, where an emergency develops, or where circumstances arise which were either entirely unforeseen, or foreseen so tentatively as not to justify firm programing at the time the regular programs are authorized.

Therefore, I suggest that all that is intended here is to prevent the use of the contingency fund for purposes which were never intended by Congress. It was never meant to be a general supplemental fund into which the President could dip whenever he wanted additional money for regular programs, in excess of the amount authorized by Congress. The fund was intended to be used in a contingency. The amendment is consistent with the purpose of the contingency fund as originally intended by Congress. I therefore shall support the amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. Mr. President, I yield 1 minute to the Senator from Arkansas.

Mr. FULBRIGHT. Interpreted as the Senator from Idaho interprets the amendment, it has meaning. Under the law the President must find that a contingency exists and report to the Congress. If that is the meaning which is intended by the author, I would be willing to accept it, but I think it is a very equivocal amendment, and would provide less discretion in the administration of the act.

Mr. DIRKSEN. Mr. President, I yield myself 2 minutes. I believe it is generally agreed that this is a pretty fluid world. When we made provision for the contingency fund we had in mind situations which could not be readily foreseen.

The provision we are considering involves only 5 percent of the total money in the authorization bill. However, there is a requirement that the authorization must be reported every 30 days, and the reasons for the expenditure out of the contingency fund have to be set forth.

How is the President going to foresee, or reasonably foresee, or tentatively foresee, what expenditure will be necessary? Who could foresee that the Turkish students would strike? Who could readily foresee the Korean situation? Who could foresee that the United States would send marines to Lebanon? Who could foresee some of the situations which have arisen in Africa?

Yet this amendment provides that unless the President finds—he has to make a finding—that such augmentations, meaning increases, are rendered necessary as a result of considerations which were either entirely unforeseen or tentatively foreseen, programing at the time is not justified.

Think of $175 million as a contingency fund for a country having a population of 180 million, and which is the most powerful nation in the world. If that is not a bagatelle, I never saw one. If we are to write words into the statute which are difficult to interpret, to begin with, we will tie the hands, not of the President, but of the Commander in Chief, which is quite another consideration.

I hope this amendment, with its rather singular language, will be rejected. I am prepared to vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. ELLENDER]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from West Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Alabama [Mr. HILL], the Senator from Oklahoma [Mr. KERR], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

The Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

I further announce that if present and voting, the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Missouri [Mr. SYMINGTON] would each vote "nay."

On this vote, the Senator from Oklahoma [Mr. KERR] is paired with the Senator from Ohio [Mr. YOUNG]. If present and voting, the Senator from Oklahoma would vote "yea," and the Senator from Ohio would vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Nebraska would vote "yea."

The yeas and nays resulted—yeas 43, nays 43, as follows:

[No. 179]

YEAS—43

Bartlett	Dodd	Gore
Bible	Douglas	Gruening
Byrd, Va.	Dworshak	Hartke
Cannon	Eastland	Johnston, S.C.
Carroll	Ellender	Jordan
Case, S. Dak.	Engle	Kefauver
Church	Ervin	Long, Hawaii
Clark	Frear	Long, La.
Curtis	Goldwater	McClellan
Magnuson	Proxmire	Thurmond
Morse	Robertson	Williams, Del.
Moss	Russell	Yarborough
Murray	Smathers	Young, N. Dak.
Muskie	Stennis	
O'Mahoney	Talmadge	

NAYS—43

Aiken	Hart	Mansfield
Allott	Hayden	Martin
Beall	Hennings	Monroney
Bennett	Hickenlooper	Mundt
Brunsdale	Holland	Pastore
Bush	Jackson	Prouty
Butler	Javits	Randolph
Carlson	Johnson, Tex.	Saltonstall
Case, N.J.	Keating	Schoeppel
Cooper	Kuchel	Scott
Cotton	Lausche	Smith
Dirksen	Lusk	Wiley
Fong	McCarthy	Williams, N.J.
Fulbright	McGee	
Green	McNamara	

NOT VOTING—14

Anderson	Hill	Morton
Bridges	Hruska	Sparkman
Byrd, W. Va.	Humphrey	Symington
Capehart	Kennedy	Young, Ohio
Chavez	Kerr	

The PRESIDING OFFICER (Mr. CANNON in the chair). On this vote, the yeas are 43; the nays are 43; and the amendment is rejected.

Mr. DIRKSEN. Mr. President, I move that the vote on the amendment be reconsidered.

Mr. KUCHEL. Mr. President, I move to lay on the table the motion to reconsider.

Mr. ELLENDER. Mr. President, on the question of agreeing to the motion to lay on the table the motion to reconsider, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were not ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on this question.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DOUGLAS. What is the pending question?

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

Mr. DOUGLAS. The vote will be on the motion to lay on the table, will it not?

The PRESIDING OFFICER. The vote will be taken on the question of agreeing to the motion to lay on the table the motion to reconsider.

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alabama [Mr. HILL], the Senator from Oklahoma [Mr. KERR], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

The Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

If present and voting, the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Ohio [Mr. YOUNG] would each vote "yea."

I further announce that if present and voting, the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Oklahoma [Mr. KERR] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is necessarily absent and, if present and voting, would vote "yea."

The Senator from Indiana [Mr. CAPEHART] is absent on official business, and if present and voting, would vote "yea."

The yeas and nays resulted—yeas 44, nays 44, as follows:

[No. 180]

YEAS—44

Aiken	Fulbright	McGee
Allott	Green	McNamara
Beall	Hart	Martin
Bennett	Hayden	Monroney
Brunsdale	Hennings	Mundt
Bush	Hickenlooper	Pastore
Butler	Holland	Prouty
Carlson	Jackson	Randolph
Case, N.J.	Javits	Saltonstall
Case, S. Dak.	Johnson, Tex.	Schoeppel
Cooper	Keating	Scott
Cotton	Kuchel	Smith
Curtis	Lausche	Wiley
Dirksen	Lusk	Williams, N.J.
Fong	McCarthy	

NAYS—44

Bartlett	Ervin	Moss
Bible	Frear	Murray
Byrd, Va.	Goldwater	Muskie
Byrd, W. Va.	Gore	O'Mahoney
Cannon	Gruening	Proxmire
Carroll	Hartke	Robertson
Chavez	Johnston, S.C.	Russell
Church	Jordan	Smathers
Clark	Kefauver	Stennis
Dodd	Long, Hawaii	Talmadge
Douglas	Long, La.	Thurmond
Dworshak	McClellan	Williams, Del.
Eastland	Magnuson	Yarborough
Ellender	Mansfield	Young, N. Dak.
Engle	Morse	

NOT VOTING—12

Anderson	Hruska	Morton
Bridges	Humphrey	Sparkman
Capehart	Kennedy	Symington
Hill	Kerr	Young, Ohio

The VICE PRESIDENT. Under the Constitution, the Vice President, having the right to vote in the case of a tie, casts his vote in the affirmative.

So the motion to lay on the table the motion to reconsider the vote by which the Ellender amendment to the committee amendment was rejected, was agreed to.

Mr. LONG of Louisiana. Mr. President, I call up my amendment at the desk and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 19, line 15, it is proposed to strike out "$175,000,000" and to insert "$155,000,000."

Mr. LONG of Louisiana. Mr. President, the effect of this amendment would be to reduce the amount of money available to that allowed last year.

The Senate has, by a tie vote, refused to require that the contingency fund be limited to contingencies. In the last year, for the contingency fund, the Congress voted an amount of $155 million. The amendment I have offered would limit the contingency fund to the amount voted.

The committee report states that this money is to be used for things like the situation which developed on Taiwan, or the crisis which developed in Indochina some time ago. None of those things happened this last year. In spite of the fact that there was no genuine contingency which developed in the first 6 months of this year, this fund has been used in many instances to restore the cuts which Congress made when it carefully considered the appropriations for foreign aid last year.

For example, last year Congress cut the defense support funds. That misleading term represents nothing more than economic aid for countries which are also getting military aid. Otherwise it is called special assistance. Congress cut the amount some $55 million. Although there has been no genuine contingency anywhere in the world upon which to base the expenditure, $67 million of defense support has been restored already. That figure exceeds the cut by $12 million, and there was still 5 months to go as of the date of these figures.

Senators realize there is no real need for economic aid which could be classified as a genuine contingency.

Congress cut the amount for special assistance last year by $23 million, yet $14 million has already been put back into the fund. This is simply economic aid to countries which do not get military aid. At the rate things are going, the entire amount will be restored by the time the fiscal year is ended.

The House of Representatives, having knowledge of these same facts, cut the amount from a $175 million request to $100 million. The Senate committee approved the administration request without any reduction whatever.

Mr. President, when this matter was voted on in the committee I wrote on my ledger sheet that this was simply a little extra amount being put in, an amount of 75 percent more, an extra $75 million over the House figure, so that the conferees would have something with which to bargain, so that they might be able to pry a little more from the House and end up with a bigger figure.

As Senators know, if Senators will vote for this amendment they will vote to make a $20 million saving, and the chances are that we will wind up with a saving of about $10 million by the time the matter has finished the conference, since no doubt it will be adjusted in the conference, and usually there is an agreement between the two houses at somewhere near the midway point between the figures in dispute.

This is an amount simply for contingencies, none of which we see at the moment. We should hold the amount down to what was granted last year. We should realize fully that as of January 30 there had been spent some $118 million, from the $155 million, with no real contingency.

If we really do get into some trouble in Korea, or if we really do get into some trouble in Vietnam, it will be necessary to call the Congress back into session, so that we can appropriate some money, which should have been available for contingencies, simply because two-thirds of the money, or almost three-fourths of the money, has been used for things which are not real contingencies at all.

We ought to limit the amount to what we made available last year, recognizing that the money has not been used for the purposes for which it was appropriated, anyway.

Mr. FULBRIGHT. Mr. President, I yield myself 4 minutes.

The VICE PRESIDENT. The Senator from Arkansas is recognized for 4 minutes.

Mr. FULBRIGHT. I do not know that it is necessary for me to say anything in this regard. The issue is very simple. The House allowed $100 million, and we recommended $175 million.

I need not tell the Members of this body what are the usual procedures in the Congress. We can forecast approximately where this item will end. The Senator from Louisiana wants to limit the amount to $155 million. That would, in effect, lower the amount.

The Senator says that he cannot foresee any contingencies. If I had greater confidence in the foresight of the Senator, and if I could take his statement as an assurance that there would be no contingencies and that we would have peace in the world, I would gladly go along with the Senator on his request. For some reason or other, I cannot bring myself to accept the Senator's prophecy as to what the state of the world will be during the next 12 or 18 months. I think it is much more likely that there will be need for the money.

This is, in effect, that element in the program which gives the administration some degree of flexibility. The Secretary of State, in discussing the action of the House with me, made it clear that this is one element which he thinks is most important.

Of course, the critics of the program are against it. Again, we see an amendment offered by those who are against the whole program, not simply against the provision for contingencies. The Senators are not really concerned about this item, but they are against the whole program. They have consistently sought to defeat the entire activity.

This is a very sad bill, which we have to consider each year. It is a bill none of us likes to present, and we do so without a great deal of pleasure, and only because it is a necessity for our defense.

I think the section we are considering is one of the most important parts of the bill, because it will enable the President to meet the contingencies which we do not foresee. No man can foresee what will be the necessities in a variety of places in the world. If we assume that the President has reasonable honesty and integrity, then if there are no contingencies, he will not spend the money.

The fact of the matter is that the needs involved in this program are much larger, overall, than are apparent. Of course, there must be a scrambling

around, and the President must use much of the contingency fund, because the needs are much greater than the appropriations, in the regular program.

I do not know that I can add much to what all Senators know about the program. We have gone over this precise argument year after year, for 10 years. This item is always subject to attack, because it is not programed precisely.

I hope the Senate will not put a further obstacle in the way of a reasonably orderly administration of the bill.

Mr. DIRKSEN. Mr. President, I yield myself 2 minutes from the time on the bill.

The VICE PRESIDENT. The Senator from Illinois is recognized for 2 minutes.

Mr. DIRKSEN. Mr. President, there is little to add to what the chairman of the Committee on Foreign Relations has already said. The language of the bill provides that there is authorized to be appropriated not to exceed $175 million. The Appropriations Committee, in good time, may have occasion to cut the amount. Who can say? This is a ceiling.

Certainly, in a fluid, feverish world, this is not too much.

I made the point before that when we make available the contingency fund we might think of it as a fund for the President; but it is also a fund for the Commander in Chief. As these sporadic situations develop in all parts of the world, if the Congress is not in session the fund has to be available.

A report is made each and every month. Reasons are assigned for expenditures. Those are set out in detail. If there is no need to expend the funds, they will not be expended.

Mr. President, I hope that the $20 million cut from $175 million to $155 million, as proposed, will not be made. I hope the amendment will be defeated.

I am prepared to vote.

The VICE PRESIDENT. Does the Senator from Arkansas yield back the balance of his time?

Mr. LONG of Louisiana. Mr. President, I do not yield back my remaining time.

The VICE PRESIDENT. The Senator from Louisiana has 1 minute remaining.

Mr. LONG of Louisiana. Mr. President, the administration has already been authorized to spend, for this year, $700 million more in military aid than was provided last year. The contingency funds used some $67 million in the first 6 months of this year, as I say, without any real contingency at all, for the defense support, and for military assistance there has been spent $31 million.

We expect that foreign aid expenditures for this year will exceed last year's expenditures, anyway. In addition, we have the fact that two-thirds of the money has already been spent simply to restore the cuts which Congress voted last year.

If there is any real contingency, Mr. President, Congress will have to come back into session and provide the money, anyway. This is one item we can take a second look at. If we make a mistake, we can always come back and vote to provide another $155 million, if necessary.

Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

The VICE PRESIDENT. Does the Senator from Arkansas yield back the balance of his time?

Mr. FULBRIGHT. Mr. President, I yield back the balance of my time.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. LONG]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alabama [Mr. HILL], the Senator from Oklahoma [Mr. KERR], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

The Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

I further announce that the Senator from Minnesota [Mr. HUMPHREY], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Ohio [Mr. YOUNG] would each vote "nay."

On this vote, the Senator from Oklahoma [Mr. KERR] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from Oklahoma would vote "yea," and the Senator from Massachusetts would vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Indiana would vote "nay."

The result was announced—yeas 48, nays 40, as follows:

[No. 181]

YEAS—48

Bartlett	Frear	Morse
Bible	Goldwater	Moss
Byrd, Va.	Gore	Mundt
Byrd, W. Va.	Gruening	Murray
Cannon	Hartke	Muskie
Carroll	Holland	O'Mahoney
Case, S. Dak.	Johnston, S.C.	Proxmire
Chavez	Jordan	Randolph
Church	Kefauver	Robertson
Clark	Lausche	Russell
Curtis	Long, Hawaii	Smathers
Douglas	Long, La.	Stennis
Eastland	McClellan	Talmadge
Ellender	Magnuson	Thurmond
Engle	Mansfield	Williams, Del.
Ervin	Monroney	Yarborough

NAYS—40

Aiken	Butler	Dodd
Allott	Carlson	Dworshak
Beall	Case, N.J.	Fong
Bennett	Cooper	Fulbright
Brunsdale	Cotton	Green
Bush	Dirksen	Hart
Hayden	Lusk	Schoeppel
Hennings	McCarthy	Scott
Hickenlooper	McGee	Smith
Jackson	McNamara	Wiley
Javits	Martin	Williams, N.J.
Johnson, Tex.	Pastore	Young, N. Dak.
Keating	Prouty	
Kuchel	Saltonstall	

NOT VOTING—12

Anderson	Hruska	Morton
Bridges	Humphrey	Sparkman
Capehart	Kennedy	Symington
Hill	Kerr	Young, Ohio

So the amendment of Mr. LONG of Louisiana to the committee amendment was agreed to.

Mr. LONG of Louisiana. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. RUSSELL. Mr. President, I move that that motion be laid on the table.

The motion to table was agreed to.

Mr. ELLENDER. Mr. President, I call up my amendment identified as "4–28–60—J."

The PRESIDING OFFICER (Mr. MUSKIE in the chair). The clerk will state the amendment.

The CHIEF CLERK. At the proper place insert the following:

Section 401 of the Mutual Security Act of 1954, as amended, is further amended by deleting the last sentence thereof, striking the period after the word "force", inserting a comma in lieu thereof, and adding the following: *"Provided, however,* That no funds authorized under this Act shall be used to extend financial or other support to the United Nations Emergency Force in the Middle East in excess of the contribution levied upon the United States by the United Nations, in accordance with the regular assessment scale for the United Nations budget."

Mr. ELLENDER. Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 4 minutes.

Mr. ELLENDER. Mr. President, this amendment deletes authority presently provided in the Mutual Security Act for the United States to contribute special assistance funds to augment financial support for the United Nations Emergency Force in the Middle East over and above the contribution levied upon the United States by the United Nations in accordance with its regular assessment scale.

The pertinent portion of the committee report reads as follows:

The Force's budget for calendar year 1960 is $20 million, which is met in part through assessments of U.N. members according to the regular assessment scale for the U.N. budget. Inasmuch as the total U.N. budget, other than UNEF, is only $60 million, this results in a substantial addition to the assessments and has been found particularly burdensome by some of the smaller, poorer members. Because of their very great interest in maintaining peace in the area, the United States and the United Kingdom have made voluntary contributions to UNEF over and above their assessments, and these contributions are used to reduce the assessments of U.N. members least able to pay.

In calendar year 1957, the United States contributed $12.9 million over and above its assessment toward a UNEF budget of $30 million. In 1958, it contributed nothing and in 1959, $3.5 million out of fiscal 1960 funds. It is proposed to contribute $3.2 million in calendar 1960 out of fiscal 1961 funds. This

contribution, plus the U.S. assessment of $6.5 million, will mean a U.S. payment of 48.5 percent of UNEF's budget.

Some of us have worked hard on the floor of the Senate in order to reduce the payments made by the United States to the U.N. to not more than one-third cost of any U.N. agency. Yes, we are contributing to the United Nations Emergency Force a certain sum over and above our usual assessment. The reason given is that some of the nations which are members of the United Nations are too poor, too small, and so on to pay their assessed share.

How is it possible for anyone to argue that the United States can continue to pour billions of dollars into the foreign aid program and still remain solvent? We have fought for many hours on this very floor in order to reduce the contributions which we make to the United Nations, to not more than one-third. Now we are confronted with an effort to break our rule, and to make our contribution to UNEF instead of one-third, 48½ percent. The argument given is that many of the smaller countries are too poor to make their own contributions.

The United States today owes $290 billion. How are we going to pay it? Only God knows. If the truth were known, we are incapable of continuing the large contributions and donations which we are now making.

I ask that the amendment be agreed to.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. MANSFIELD. Mr. President, I yield myself 2 minutes in opposition to the amendment.

I recall the fights put up year after year by the distinguished senior Senator from Louisiana, seeking to bring down the percentage which the U.S. Government pays into the United Nations and its subsidiary organizations. However, I point out that the United Nations Emergency Force in the Middle East has been established on a special basis to take care of a particular and a most delicate situation.

I believe that when we speak in terms of a few extra dollars or a few added percentage points, we are making a contribution to an investment in peace in an area which has been in the grip of an uneasy truce since long before the United Nations Force was sent there.

We realize that 48½ percent of the total appropriation to maintain the United Nations Force in the Middle East is much more than the 33⅓ percent which we contribute to the United Nations in general, but I think it is money well spent. I believe the United Nations Force, which really ought to be expanded into a United Nations police force, on call at all times, more than repays the United States for the amount of money which we contribute toward its maintenance. I think 48½ percent of the total cost is a very cheap price.

I hope the amendment will be rejected.

Mr. MORSE. Mr. President, will the Senator from Montana yield me 1 minute?

Mr. MANSFIELD. I yield.

Mr. MORSE. I have supported the Senator from Louisiana in most of his amendments aimed at eliminating the millions and millions of dollars of waste in our economic and military aid programs—particularly the military aid program. I agree with his general thesis that we have to stop the tapping of the American Treasury and the taxpayers of the United States in order to perpetuate this horrible waste, because much of the money is going down the drain.

I am opposed to this amendment, because the funds authorized in this section of the bill are aimed at strengthening the United Nations in consideration of the great goal we have to acomplish, namely, the establishment of a system of international justice through law for the settlement of issues which threaten the peace, enforced by the United Nations. In my judgment, this money is needed in order to strengthen that principle. Therefore, on this occasion, I shall vote against the amendment of the Senator from Louisiana.

Mr. FULBRIGHT. Mr. President, I yield myself 2 minutes. I hope the Senate will not accept this amendment. As has already been stated by the Senator from Montana [Mr. MANSFIELD] and the Senator from Oregon [Mr. MORSE], this is a very important item. The sum is comparatively very small. There is involved a total of $3,200,000. In relation to the total amount involved in the bill, this is a very small amount.

Many dangerous outbreaks have occurred in this area. Some have taken place this spring. It would be very shortsighted, in my opinion, to liquidate the United Nations Emergency Force in this area.

I hope the Senate will reject the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. ELLENDER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment offered by the Senator from Louisiana.

The amendment was rejected.

Mr. ELLENDER. Mr. President, I call up my amendment designated "4–28–60—Q," and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 22, beginning with line 18, it is proposed to strike out all through line 20.

Mr. ELLENDER. Mr. President, the purpose of the amendment is to delete from the bill a provision which calls for an increase from $2.75 million to $4.25 million in the present ceiling on the amount of funds available in foreign countries, excluding Korea, for the construction or acquisition of living quarters, office space, and other facilities for use by personnel employed under the mutual security program. For further details, I refer Senators to page 29 of the committee report.

In this connection, it should be noted that one of the major reasons cited for the need for this increase is the fact that Pakistan is moving its capital from Karachi to Rawalpindi. This factor alone would eat up $1 million in the new authority.

It should also be noted that the committee report asserts that the facilities consructed will have "residual value to the United States or to the host government when the aid program terminates."

In other words, we will probably have to do exactly what we have done in Germany, that is, turn the facilities built by us over to the local government, if any when we terminate the foreign aid program.

Mr. President, one of the things which has caused us much trouble abroad is that our people have built lavish homes in countries like India, and by lavish, I mean homes equal to the homes which are built in the United States—homes lavish by foreign standards. This has caused much dissatisfaction in countries with aid missions, and lends credence to the theory that Uncle Sam is rich, and well able to support a huge aid program. It now seems we are embarking on a large-scale, worldwide program to build offices and homes for the people who administer the foreign aid program. In other words, this is a step in the direction of making these programs permanent. We are using good, hard cash—borrowed money, at that—to build offices and homes for the Americans who will administer the foreign aid program abroad.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YARBOROUGH. I desire to ask the distinguished Senator from Tennessee what——

Mr. ELLENDER. Excuse me; I am from Louisiana, although I admire the State of Tennessee.

Mr. YARBOROUGH. I beg the Sentor's pardon. The Senator's State of Louisiana sent many volunteers to the Texan army in the Texas revolution. I had confused Louisiana with Tennessee, which is known as the Volunteer State. But both States contributed a large number of volunteers to the battle for the independence of Texas.

My question is this: When foreign aid money is used to build better homes for the American administrators of the program than the natives of those countries are able to build for themselves, what effect does such building on our part have on them? Does it build up resentment against Americans?

Mr. ELLENDER. It builds up a great deal of resentment. The Senator knows of the difficulty we had in Korea. The Koreans resented the fact that our people live in much better homes than anyone else in Korea, even the richest people there.

The same has occurred in Formosa, and in the Philippines.

In this case we are embarking on a building program in Africa. I presume that the homes and offices which would be built for our people in those countries

would be somewhat similar to those in the United States. This program would be just a foot in the door.

We curtailed the building program in Korea. I hope no more buildings will be constructed for our people in Korea. If we begin this program in Africa and in other countries where the foreign-aid program has just taken root, there will be no telling how much will be spent in the future.

I would rather see our administrators use the facilities which exist there, rather than build sumptuous homes and office buildings to carry on this program.

Mr. FULBRIGHT. Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 4 minutes.

Mr. FULBRIGHT. As the Senator from Louisiana has pointed out, one of the major costs in this case is that of providing facilities for living quarters in the new capital of Pakistan. This is a move which we cannot avoid if we are to carry on the program at all in this very important country. Some quarters must be made available for our personnel there.

I have not been to Rawalpindi, but I have been to Pakistan; and the quarters there are very inadequate.

In Africa, no quarters at all exist for our personnel in many of the countries.

So this is not a question of building fine homes; it is a question of having available any facilities at all for living and for education. The money is to be used primarily for those purposes, in these areas.

This is another instance in which some Senators attempt to pull in two different directions. Senators who oppose the bill complain about graft; but one of the reasons for the resignation of many of the very well qualified people is the lack of quarters for them to live in and the lack of educational facilities for their children. So it is extremely difficult to get well-qualified people to serve in this program.

In most of the established countries we have done a fairly good job of providing such facilities for our Foreign Service personnel. That has been a quite expensive process; but all of us are familiar with it, and I do not think there is much complaint about that activity. But in this field, such facilities are very badly needed.

Senators should make up their minds about either having a program, and then trying to get well-qualified persons who are enthusiastic about this program to serve in connection with it; or the program should be eliminated. The continual attempt to weaken the program and prevent the procuring of good personnel for it is, in my opinion, practically disastrous, because we spend our money, but we do not get good results.

After all these years, I believe Senators should make up their minds. I believe the Senate should decide, as a body, whether the program is to be continued or whether it is to be ended. If the program is to be continued—and I believe that decision has been reached—we should not vote to put obstacles in the way of the efforts of the administration to improve the quality of the personnel who administer the ICA.

This amendment is a very simple one; I do not know that there is much more to be said about it.

I hope the Senate will reject the amendment.

Mr. HICKENLOOPER. Mr. President, will the Senator from Arkansas yield briefly to me?

Mr. FULBRIGHT. I yield to the Senator from Iowa the remaining time available to me.

Mr. HICKENLOOPER. I do not wish to take much time.

Mr. FULBRIGHT. I do not believe very much time remains available to me.

Mr. HICKENLOOPER. I wish to say that on this question I agree with the Senator from Arkansas. Housing is very urgently needed for these people. Either we are to have a program of this sort, or we are not going to have one. I certainly hope the amendment will be rejected.

The PRESIDING OFFICER. Is all remaining time on the amendment yielded back?

Mr. ELLENDER. I yield back the remainder of the time under my control, Mr. President.

Mr. FULBRIGHT. Mr. President, I yield back the remainder of the time under my control.

The PRESIDING OFFICER. All remaining time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Louisiana.

Mr. ELLENDER. Mr. President, on this question, I ask for a division.

Mr. FULBRIGHT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment lettered "Q" of the Senator from Louisiana.

Mr. KUCHEL. Mr. President, on this question, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment lettered "Q" of the Senator from Louisiana. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alabama [Mr. HILL], the Senator from Montana [Mr. MURRAY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

The Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

On this vote, the Senator from Minnesota [Mr. HUMPHREY] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from Minnesota would vote "nay," and the Senator from Montana would vote "yea."

The Senator from Virginia [Mr. ROBERTSON] is paired with the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from Missouri would vote "nay."

I further announce that if present and voting, the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Ohio [Mr. YOUNG] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Indiana would vote "nay."

The result was announced—yeas 38, nays 49, as follows:

[No. 182]

YEAS—38

Bartlett	Eastland	Magnuson
Beall	Ellender	Moss
Bible	Ervin	O'Mahoney
Butler	Frear	Proxmire
Byrd, Va.	Goldwater	Randolph
Byrd, W. Va.	Gruening	Russell
Cannon	Holland	Schoeppel
Chavez	Johnston, S.C.	Stennis
Cooper	Jordan	Talmadge
Cotton	Kerr	Thurmond
Curtis	Lausche	Williams, Del.
Douglas	Long, La.	Yarborough
Dworshak	McClellan	

NAYS—49

Aiken	Green	Mansfield
Allott	Hart	Martin
Bennett	Hartke	Monroney
Brunsdale	Hayden	Morse
Bush	Hennings	Mundt
Carlson	Hickenlooper	Muskie
Carroll	Jackson	Pastore
Case, N.J.	Javits	Prouty
Case, S. Dak.	Johnson, Tex.	Saltonstall
Church	Keating	Scott
Clark	Kefauver	Smathers
Dirksen	Kuchel	Smith
Dodd	Long, Hawaii	Wiley
Engle	Lusk	Williams, N.J.
Fong	McCarthy	Young, N. Dak.
Fulbright	McGee	
Gore	McNamara	

NOT VOTING—13

Anderson	Humphrey	Sparkman
Bridges	Kennedy	Symington
Capehart	Morton	Young, Ohio
Hill	Murray	
Hruska	Robertson	

So Mr. ELLENDER's amendment to the committee amendment was rejected.

Mr. FULBRIGHT. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KUCHEL. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California to lay on

the table the motion of the Senator from Arkansas to reconsider.

The motion to lay on the table was agreed to.

Mr. ELLENDER. Mr. President, I call up my amendment "4-28-60—R."

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 21, beginning with line 17, it is proposed to strike out through line 20.

Mr. ELLENDER. Mr. President, this is a very simple amendment and one which I think every Senator ought to vote for.

This amendment would delete the committee amendment which authorizes six additional super grades in ICA. As the committee report points out, last year Congress approved an increase of 10 super grade positions. This has proved to be an insufficient number, and ICA wants authority to increase by six the number of persons who may be compensated at rates from $12,700 per year to $17,500 per year, without regard to the provisions of the Classification Act. All of these persons would be employed in the United States—in other words, six more high-powered, high-paid bureaucrats to run the already top-heavy ICA program.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. ELLENDER. I hope the amendment will be agreed to.

Mr. JOHNSTON of South Carolina. The Committee on Post Office and Civil Service is supposed to handle these matters. Our committee is supposed to hold hearings and to pass upon the supergrades. Now requests are being made for these supergrades in the various bills, as they come before the Senate, instead of having the matter brought to the attention of the proper committee, to let the committee decide what grades there ought to be in the various and sundry departments. If we are going to start this procedure, then we will have some headaches in the future.

Mr. ELLENDER. Mr. President, I hope that the amendment will be agreed to. I am not going to argue further.

Mr. JOHNSTON of South Carolina. I am supporting the amendment.

Mr. ELLENDER. I thank the Senator.

Mr. FULBRIGHT. Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 4 minutes.

Mr. FULBRIGHT. Mr. President, the reason for the increase in personnel is that the personnel are needed because of the action of the Congress, and particularly of the Senate. I think the Senator from Louisiana certainly had something to do with the matter. We required that there be created an Office of Inspector General and Comptroller. That was the main part of the problem. There was also a decision by the executive branch that the Development Loan Fund had to have an additional supergrade for its administration.

This is an example of much the same thing we have considered before. We require that steps be taken to prevent maladministration. We say, "You must set up an Office of Inspector General." Then, when there is a request for personnel to staff the Office, we are asked to say, "You cannot have the personnel. This would be wasteful. We cannot permit you to have this."

It seems to me that this is much the same as the other amendments offered by the Senator from Louisiana. The Inspector General has been created, in a sense, for the special benefit of the Senator from Louisiana and his colleagues who believe that there is maladministration in the program. I suggest if we are not going to staff the Office properly, to try to improve the quality of administration, we ought to abolish it altogether.

I often wonder what would happen if we would say tomorrow, "There will be no more foreign aid program." We could stay at home and let everything take its course outside the boundaries of the United States. That would be a very interesting experiment. I am sometimes inclined to think it would relieve us from a lot of internal pulling and hauling every year.

If we are going to have a program, we might as well make some effort to administer it properly. If we have an Inspector General, he should be able to report to the Congress about the so-called and alleged mismanagement and waste.

I would hope that the Inspector General not only would report but also would, in his activities, find ways to improve administration and to prevent whatever waste and maladministration exists.

I agree with the Senator, this does not present a difficult problem. It is a very simple problem. If we do not wish the Department to have the staff for these offices which Congress required them to create, it would be obviously a rather ridiculous situation.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. ELLENDER. Mr. President, I yield the rest of my time to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to state that in the Reorganization Act the duties of the committees were set out. The Post Office and Civil Service Committee has the right and the duty to set up the different regulations in regard to various and sundry departments and the workers in the various and sundry departments, as well as the classifications of them. If the Senate is going to take the work away from that committee, then the Senate can vote to keep this item in the bill and can vote against the amendment before us at the present time. If the departments want extra help, they can come before the committee. We have some hearings which are scheduled to start next Tuesday at 10 o'clock. We are going to hold hearings in the committee in regard to salaries, and when we are discussing salaries we will discuss classifications.

Mr. FULBRIGHT. Mr. President, will the Senator yield on that point?

Mr. JOHNSTON of South Carolina. I yield.

Mr. FULBRIGHT. These people are employed from year to year. These are not civil servants, or at least most of them are not. We cannot get people to come into these grades on an annual basis. These are the supergrades, for this particular service.

Mr. JOHNSTON of South Carolina. We pass upon the supergrades also.

Mr. ELLENDER. I will say that all the six additional supergrades involved would be in Washington, D.C. These people would not go abroad; but they would be in Washington.

Mr. FULBRIGHT. As I say, the Inspector General has a home base in this city. As an illustration, as a result of the study of the Senator from Montana [Mr. MANSFIELD] of the Vietnam situation, as I recall, the Senator instructed the Inspector General to perform some very effective reporting and investigation.

It was to deal with such situations that the office was created. The Inspector General's office is here, but his work is all over the world, wherever investigation is needed. That is what the main part of the activity is for.

Mr. GRUENING. Are the new officials, the Comptroller General and the Inspector General, to be outside officials, or are they members of the ICA, who are merely to be promoted within the organization?

Mr. FULBRIGHT. They are in the State Department, reporting directly to Under Secretary Dillion, I believe.

Mr. ELLENDER. But they were all already employed by the ICA. Mr. Murphy, the Inspector General, was. He was Comproller of ICA.

Mr. FULBRIGHT. Yes.

Mr. MANSFIELD. They occupy a unique and independent status, in that they are not subject to what the ICA desires.

Mr. ELLENDER. But they are former employees of ICA.

Mr. MANSFIELD. They are employees of the Inspector General, and they occupy a unique and special position.

Mr. President, I yield 2 minutes to the distinguished Senator from Kansas.

Mr. CARLSON. Mr. President, I opposed the section of the bill which permitted the creation of six additional supergrades when the question was before the committee. I stressed the fact that the supergrade positions should be authorized and approved by the Post Office and Civil Service Committee. I did not oppose the proposal because I did not believe the administration was entitled to those grades and salaries, but I felt that the recommendation should come from the proper committee, and that we should not start authorizing supergrade positions in every bill before the Congress.

So far as I am personally concerned—and I am sure the chairman of the committee will agree with me—when this matter is before the committee I shall ask that we allow six additional supergrades for these positions, provided they

are justified—and I believe they are. But I do not believe we ought to do it in connection with the pending bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER]. Is all time yielded back?

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

Mr. FULBRIGHT. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER].

Mr. ELLENDER. Mr. President, I ask for a division.

On a division the amendment to the committee amendment was agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from South Carolina will be stated.

The CHIEF CLERK. On page 20, in the committee amendment, between lines 21 and 22, it is proposed to insert the following:

(d) In section 510, which relates to purchase of commodities, strike out the third sentence and substitute the following: "Funds made available under chapter II of this Act may not be used for the procurement of a commodity outside the United States: *Provided*, That not more than 65 per centum of such funds from and after the date of enactment of the Mutual Security Act of 1960 may be used for the procurement of a commodity outside the United States if the President determines that such procurement will not result in adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, or to the net position of the United States in its balance of trade with the rest of the world, which outweigh the economic advantages to the United States of less costly procurement abroad, except that if the President determines that the rate of employment in an industry producing a commodity is depressed, none of such funds shall be used for the procurement of such commodity outside the United States."

It is proposed to redesignate subsections (d) to (i) inclusive, as (e) to (j), respectively.

Mr. JOHNSTON of South Carolina. Mr. President, I yield myself 4 minutes.

Under existing law, the President of the United States is given authority to use defense support funds and development loan funds in any amount for procurement outside the United States, unless in his opinion the expenditure of such funds would be detrimental to the general economy of the United States, with special reference to any areas of labor surplus, our net balance of trade on the world market, and similar situations.

This amendment would modify the law to confine the President's discretion in such purchases to 65 percent of the defense support funds, the development loan funds and additionally the funds contained in the special assistance programs contained in chapter 2 of the bill.

It is now argued that more than the 35 percent of the funds my amendment requires to be spent in the United States is now already spent in the United States under the program. This may be true, but it is not done so because it is law. Insofar as I am concerned, it is a coincidence and I think American labor, American industry, and the American economy is entitled to the guaranteed protection outlined in my amendment. If the program already is spending more in the United States than my amendment requires, then there should be no objection to my amendment.

Someone has called my amendment a "buy American" amendment.

If one wants to call it that, then I proudly accept the label, because I think it is high time we begin thinking in terms of buying American and protecting our American economy. I can think of no better place to start protecting the American economy than to adopt my amendment; unless it would be the cutting back of foreign-aid funds or the cutting our of foreign aid altogether. It is at least an expression of the Congress and the American people that we are in the mood to reverse present thinking and place America first, for a change.

This amendment requires the purchase of only 35 percent of American goods. It is claimed that 50 percent of American goods is now being purchased. That was the testimony. But purchases of American goods are being cut back every year. Last year, for example, for the first time since the Civil War, England sold us more than we sold to England. It will be found that the same thing is true throughout our economy. We have reached the point where we are purchasing more than we are selling, and our gold is being shifted out of balance. So I am urging a little protection by requiring that 35 percent of the money be used for purchases from the United States, to protect our American industry and our American labor.

It is up to the Senate to decide what to do in regard to this particular amendment. I think the chairman of the committee will admit that more than 35 percent of the money is being used at the present time for purchases in the United States. But when we are furnishing the money, there should be some protection in the future for our economy.

Mr. FULBRIGHT. Mr. President, I yield myself 4 minutes.

It is true that at the present time a considerably larger percentage of American goods is being bought than would be required under the first proviso of the amendment. There is a difference in administration.

First, the amendment prohibits buying anything abroad, and then places on the President the duty of finding that such purchases would not injure our industry. Up to 65 percent could be purchased abroad.

The second proviso is that if the industry producing a commodity is depressed, none of the funds can be sent abroad.

If this amendment were adopted, at least 15 or 20 supergrade positions would be necessary in order to follow out what is happening to each of the commodities involved in this kind of program.

The amendment is not clear as to whether or not the percentage applies across the board to all commodities, or whether it means 65 percent of each commodity within the whole group.

For example, take an item such as cement. If the cement industry should be depressed, no cement could be purchased abroad. It would have to be bought here and shipped abroad for whatever purpose the cement is used. Cement is one of the heaviest and most expensive commodities to ship abroad. I believe it would require an army of accountants to administer this kind of amendment, and keep up with developments—certainly that is true if each commodity is to be required to qualify under these percentages.

If we interpret the amendment as applying across the board, as the Senator has already said, we already purchase in the United States far more than his minimum. I see no reason to encumber the legislation with this kind of amendment. I do not think there is any need for this kind of amendment. If it could be administered without too many accountants, it would not do any particular harm. I yield back the remainder of my time.

Mr. JOHNSTON of South Carolina. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time for debate has expired. The question is on agreeing to the amendment offered by the Senator from South Carolina. [Putting the question.] The noes appear to have it.

Mr. JOHNSTON of South Carolina. Mr. President, I ask for a division.

On a division the amendment was rejected.

Mr. LAUSCHE. Mr. President, I call up my amendment which was originally identified as "4–20–60—A," but in which there have been some slight changes made.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 13, beginning with line 4, strike out over through line 12. Also on page 13, beginning with line 20, strike out over through line 11 on page 14.

Mr. LAUSCHE. Mr. President, the mutual security bill as it deals with the Development Loan Fund, in its purpose clause, declares that the funds in the Fund shall be used for the promotion of free enterprise in the various nations of the world where the Development Loan Fund would be applied.

The Senator from Florida [Mr. SMATHERS] and the Senator from Oregon [Mr. MORSE] submitted an amendment emphasizing the need of giving special attention, through the Development Loan Fund, to lending money and making guarantees for the purpose of establishing building and loan associations in South America.

It is my understanding that the building and loan associations of this coun-

try would like to go into South America, with the aid of loans made by the Development Loan Fund and guaranteed by that Fund to insure a recoupment of losses which might be sustained in the operation of their businesses.

The committee amendment offered by the Senator from Florida and the Senator from Oregon confines this new activity to South America.

As I have already stated, this purpose of the Development Loan Fund already makes possible the use of the Development Loan Fund specifically for the intentions contemplated by the amendment submitted by the Senator from Florida and the Senator from Oregon.

In my opinion, we will make a mistake if we change the purpose clause and add a new section emphasizing that the Development Loan Fund must primarily be used in the financing of building and loan associations in South America.

Senators might ask me why I feel that we will be making a mistake. In a measure we will be earmarking funds in the Development Loan Fund. If this year we emphasize that they shall be used for the establishment of building and loan associations, next year a Senator may come before the Senate and say, "Now let us earmark and emphasize the use for schools and hospitals and other purposes." The result will be that we will have a series of amendments offered for the use of these funds for one purpose or another.

Iuasmuch as the law as it now exists, allows the use of this money for the purposes embodied in the amendment of the Senator from Florida and the Senator from Oregon, it is my belief that the amendment ought not to be included in the bill. The State Department does not favor this provision in the bill. It points out that since we have highlighted South America, other parts of the world will come in and say, "Why do you give preferential treatment there, and subordinate treatment to us?" The Senator from Florida—and there may be some justification for this argument—might say that we have been subordinating South America. In some measure I think we have. However that wrong, if it has been committed, can be cured in a manner other than through this effort to give special treatment through the pending bill.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. CASE of South Dakota. I should like to observe that our experience in guaranteeing rentals on military housing abroad has not been such as to encourage the establishment of a guarantee for private effort in the housing field. I believe that the amendment of the Senator from Ohio should be supported.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. MANSFIELD. Mr. President, I yield 1 additional minute on the bill to the Senator from Ohio.

Mr. LAUSCHE. My amendment strikes out of section 207 that part of the language which deals with the purpose clause. One word further. In my opinion, we will be making a serious mistake if we enter into a program, either in a minor degree or in a major degree, of providing housing in South America. We cannot provide it for that area alone, because if we do, even by pilot projects, we will be establishing a precedent, and thereafter demands will be made upon us from every other area of the world along the same line. I ask Senators to support the amendment.

Mr. FULBRIGHT. Mr. President, I yield 2 minutes to the Senator from Florida.

Mr. SMATHERS. Mr. President, first I believe we should get clear what we are talking about. I regret to say that it is not clear from listening to the Senator from Ohio. This particular committee amendment does not call for any new authorization or for any new appropriation of funds. Let me read the language contained in the bill:

> It is the sense of the Congress that in order to stimulate private home ownership, encourage the development—

Mr. LAUSCHE. Mr. President, a point of order.

Mr. SMATHERS. I do not yield at this time.

Mr. LAUSCHE. The Senator from Florida has implied that I did not correctly state the purpose of the amendment. The Senator from Florida was not in the Chamber when I said that the law as it exists today already allows what the Senator from Florida proposes.

Mr. SMATHERS. I did not intend to reflect on the integrity of the very able Senator from Ohio. I merely want to read the language in the bill to point out with clarity the issue before us.

I continue to read:

> It is the sense of the Congress that in order to stimulate private ownership, encourage the development of financial institutions, and assist in the development of a stable economy, the authority conferred by this title should be utilized for the purpose of assisting in the development in the American Republics of self-liquidating pilot housing projects designed to provide experience in countries at various stages of economic development by providing capital for the establishment of—

And so forth. Let me quote what Mr. Dillion of the Department of State had to say about this matter in committee:

> We are in favor of housing programs particularly where we can spend local currencies for them. We have just entered or are entering into a program in Pakistan where we hope to rehouse a very substantial number of people in Karachi with grants of Public Law 480 counterpart rupees that we have available in Pakistan. We think that for Latin America the same thing should apply.

So apparently the State Department does not oppose the amendment. Actually the amendment, which is section 207 of the bill, and which has been approved by the Committee on Foreign Relations, does not call for new authority or for additional funds. It is true that existing laws authorize the Development Loan Fund for this purpose but the fact of the matter is that the Development Loan Fund and other agencies have refused to utilize the authority given to them by Congress. The committee amendment is designed to reemphasize the desires of the Congress.

What better way is there to spend money already appropriated than by helping the countries of Latin America, or for that matter any other countries, to enable the people of those countries to procure for themselves a housing program by which they can put roofs over their heads. Make no mistake about it, United States-Latin American relations have been and still are in a continued state of deterioration. The area is beset with many problems. We must assist our friends to the south in solving them or else they will become the victims of the Soviet economic onslaught. This is a consequence that must be avoided in our self-interest as well as theirs.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. SMATHERS. Mr. President, I ask that I may have 1 more minute.

Mr. FULBRIGHT. I yield 1 minute to the Senator from Florida.

Mr. SMATHERS. We can spend $400 million from the Development Loan Fund for a hydroelectric program, or a project of that character, but the people do not even know what is happening. But if we can help them put a house over their head—for many of them, for the first time in their lives—we can move them out of riverbeds and out of slums. This type of help they understand. It is no giveaway program. It is a loan program and a guarantee program for U.S. investors who stand ready to assist in setting up FHA type programs in the area. With imagination of such an approach, I think that we then will have made for ourselves an effective, useful, and appreciated foreign aid program. All countries of Latin America are included. So far as I am concerned, that is the best kind of use we can make of this particular money. This type of program will prove to be of inestimable value toward promoting good will with our neighbors to the South and a program which will provide an effective answer to the Soviet economic offensive in the area. I sincerely trust that the amendment offered by the Senator from Ohio will be overwhelmingly defeated by the Senate.

Mr. FULBRIGHT. Mr. President, I yield 2 minutes to the Senator from Vermont.

Mr. AIKEN. Mr. President, people who try to raise families under tin roofs or fiber or thatched roofs are not good apostles of democracy. Nowhere is the need for relief greater than in the countries of South America and Central America.

The proposal in the bill, as has been stated by the Senator from Florida, does not provide new money; it does not authorize any new expenditures whatsoever. It simply encourages building and loan associations in Latin American countries. The reason why building and loan associations are desirable is that many people who have only a little money are afraid to put it in the banks. They are afraid they will not be able to get it out. But they will, with a little encouragement, invest in building and loan associations.

We have recently made an investment of this kind in Peru, lending Peru $2 million for the purpose of starting new housing projects. One million dollars of this money is in Peruvian currency—in soles; the other million is in American dollars. It is a very small investment, but it is an important one. I believe we are making a similar contribution in Chile, although I am not sure whether it has actually been made yet.

The second part of the proposal, "guaranteeing private United States capital available for investment in Latin America countries for the purposes set forth herein," would, I understand, cover a possible situation in Panama, where the need for decent housing is acute. Housing conditions in Panama are really a disgrace.

The PRESIDING OFFICER. The time of the Senator from Vermont has expired.

Mr. MANSFIELD. Mr. President, I yield one additional minute to the Senator from Vermont on the bill.

Mr. AIKEN. There is a great need for decent housing in Panama. I understand it is proposed to build a few thousand decent houses, which will probably be occupied by people who work in the Canal Zone. At the same time, these houses will furnish a working base for many other persons who will not directly live in the houses to be constructed. The housing program will go on from that point. I believe the lack of anything like suitable housing is more responsible for the widespread unrest in Latin America today than almost anything else.

Mr. MANSFIELD. Mr. President, I yield 2 minutes to the able junior Senator from Kansas.

Mr. CARLSON. Mr. President, I endorse the position taken by the Senator from Vermont concerning the need for a housing program in Latin America. I can think of nothing which would be of greater benefit to the stabilization of communities in any country than good homes. I am proud of the project in Lima, Peru, which is being built by the W. W. Garvey Corp., of Wichita, Kans., one of the largest building construction firms in the Nation. They have already started to build a project of 100 two-bedroom homes, which will have large garden areas, and can be expanded to four bedrooms.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement entitled "Homeownership—The Free World's Unused Weapon," and also a statement prepared by Willard W. Garvey with respect to the corporate structure of the group which is known as Peru Homes, Inc., Lima, Peru, and is a wholly owned subsidiary of Builders, Inc., of Wichita, Kans.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

HOMEOWNERSHIP—THE FREE WORLD'S UNUSED WEAPON

The pride of homeownership provides the emotional appeal that is the taproot of private intiative. This spirit of individual initiative has brought America the highest standard of living in history and to the pinnacle as a world power. Yet, homeownership has been all but forgotten by our foreign aid planners who admittedly seek to raise the standard of living in the newly developing countries while at the same time preserving free institutions. Communism would be on the defensive if the major effort of the United States for 1960 would be the encouragement of investment and financing of low cost private housing in key countries, namely, India, Pakistan, Peru, Ecuador, and Colombia. Why? Because through homeownership you can reach the individual. If a man has some property of real value, that is, a home, communism has no appeal. Homeownership affects his outlook in many ways:

1. Economically: Homeownership meets one of the five basic wants (food, shelter, clothing, acceptance by peers, and power). It also satisfies the urge to own property, which is deep in the natural and cultural heritage of people everywhere. The homeowner has pride of ownership; he develops his property, he improves it, works on it, concentrates his energies and attention on it, and becomes emotionally attached to it. A home is the most valuable property that most people ever own. Through ownership, a man becomes conscious of fundamental economics, principal, interest, taxes, insurance, maintenance, and repair.

2. Politically: The homeowner, in reviewing his economics, comes across taxes and begins to wonder what he is getting for his tax dollar. Generally, he will check into his city government, county government, school board, and the like and become a more interested citizen since he is paying the bill.

3. Socially and morally: The homeowner puts his roots down, builds his fences, works toward becoming a better neighbor, joins the church, joins civic organizations, and gets involved in other cultural, social, spiritual, and intellectual institutions in his city.

4. Creatively: The homeowner, having established his economic, political, and social base, has a foundation upon which to create and achieve the acceptance and power aspects of his basic wants. In Wichita, Kans., United States, 29,000 workers were laid off after World War II by wartime aircraft industry in 1944 and 1945. Fortunately for Wichita, 65 percent of these discharged workers were homeowners. The 65 percent generally exercised individual initiative and creative talents. They formed new small businesses and industries to create goods and services and make a living in the community where they had established their roots. In effect, these Wichita homeowners were an example of the creative power of private initiative going to work literally to save their homes.

5. Ideologically: The sum of the above parts 1 through 4 is the responsible self-reliant individual. Communism holds little appeal for the homeowner. Once a man has worked hard and saved to buy property, he doesn't want to turn it over to the state. In short, the homeowner tends to be a champion of capitalism and individual initiative.

What is it that the free world can offer that communism can't? Homeownership. Homeownership is one thing that separates communism from capitalism—the private ownership of property as opposed to the collectivist ideal of public ownership of property. In the showdown between the two ideologies, a man will defend his private property against the collectivist themes.

Yet, only a minute amount of the foreign economic assistance of any free country, both in loans and aid, has in the past been devoted to the creation of broad homeownership in the newly developing countries.

STATEMENT BY WILLARD W. GARVEY

I am here for one simple purpose: To try to focus public attention on what I call the free world's unused weapon—homeownership—and to help put that weapon to work.

Three basic problems that concern us today are our own national security, the fate of 3 billion people around the world who are trying to win a better life for themselves, and the disposal of our staggering farm surpluses.

I am convinced that there is a simple, direct method that has been overlooked to help solve all three of these problems.

I have just returned from a five-nation tour of Latin America. I found there, as I found in the Far East last summer, a desperate and growing shortage of housing. The missing ingredient in each case was financing—a means of enabling people in those lands to buy homes on relatively long-term credit at prices they can afford to pay.

One big, untapped source for this financing lies in the vast American farm surpluses that have been distributed in underdeveloped countries. In effect, our surpluses can provide both food and shelter for millions of families in many countries of the world. In India alone, the so-called Cooley amendment funds accrued in rupees from the sale of American grains could finance the construction of 500,000 low-cost homes within the next 12 months. If the project were undertaken on a self-help basis, with the people of India putting "sweat equity" into their homes, that figure could easily be doubled.

But financing and need, by themselves, are not enough. What is required now is a catalyst. That catalyst is the private American homebuilder; hundreds of builders who will be willing to undertake this mission, to launch their own private industry point 4 program. The feasibility of this program has already been demonstrated in Lima, Peru, where our company has just begun a 100-home pilot project using Public Law 480 Cooley amendment funds.

The know-how for this operation is available to any American builder who wants to get into it. I feel confident that hundreds will do so if the need and the opportunity are properly presented to them.

The significance of housing in our country's struggle against world communism was underscored during President Eisenhower's recent journeys to the Far East and Latin America. Of all the places he visited, places where tens of billions of American dollars have been spent in foreign aid, he was moved most deeply by a workers' housing development in Santiago, Chile. The development, launched and carried forward by American builders, represented a U.S. investment of less than $100,000.

In President Eisenhower's own words:

"I was impressed by what I saw in Chile. I visited a low-cost housing project. The Government had provided land and utilities. The homeowners were helping one another build the new houses. They will pay for them monthly, over a period of years. Personal accomplishments brought pride to their eyes; self-reliance to their bearing. Their new homes are modest in size and character—but I cannot possibly describe the intense satisfaction they take in the knowledge that they themselves have brought about this great forward step in their living conditions."

EVERY MAN A HOMEOWNER

(Peru Homes, Inc., Lima, Peru)

1. CORPORATE STRUCTURE

Peru Homes, Inc., is a wholly owned subsidiary of Builders, Inc., Wichita, Kans.

The board of directors consists of Willard W. Garvey, president of Builders, Inc.; Dr. Eduardo Olaechea, a prominent Lima attorney who is also legal counsel for the firm; and E. Howard Wenzel, Jr., of Wichita, who is a resident manager.

The company has an initial authorized capital of 3,500,000 soles (1 sol approximately 3.6 U.S. cents).

2. FIRST PROJECT

The first project of Peru Homes, Inc., is now underway in a newly developed subdivision on the northern side of Lima bordering the Pan-American Highway. The company is building 100 two-bedroom homes on lots of 160 square meters. The homes have large garden areas and can be expanded to four bedrooms.

The homes will sell for 99,000 soles (about $3,000) with a downpayment of 20 percent and monthly installments of 950 soles over 10 years. (This is approximately half the price of the comparable homes now available in Lima.)

3. FINANCING

The homes will be built with the aid of a 4-million- (about $140,000) soles loan from Public Law 480 wheat sale balances available to U.S. investors in Lima. The loans will be for 10 years at 8 percent interest. The Banco Continental of Peru has agreed to guarantee and service the repayment of the loan and to act as agent for Peru Homes, Inc., in making loans to individual home buyers and collecting monthly payments. The interest and servicing charges for home buyers will amount to 10 percent on the unpaid balance, consisting of the 8 percent charged on Public Law 480 funds, and 2 percent charged by Banco Continental. This compares with going rates for interest and service charges ranging from 15 to 30 percent for terms not longer than 3 to 4 years and with downpayments of 50 percent.

4. RELIANCE ON LOCAL RESOURCES

With the exception of Mr. Wenzel, the resident manager, every phase of Peru Homes' operations relies on local resources. The model house for the first project was designed by a noted Lima architect, Ernesto Aramburu Menchaca. The houses are being built by local contractors employing local workers and using exclusively local materials.

Mr. JAVITS. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I yield.

Mr. JAVITS. A number of savings and loan associations in the northeastern area of the country have been in communication with me. They are interested in doing exactly what is contemplated by the provision in the bill. I think it would be a shame to frustrate them by agreeing to the amendment offered by the Senator from Ohio. I hope the amendment will be rejected.

Mr. LAUSCHE. Mr. President, may I have 1 additional minute?

Mr. MANSFIELD. Mr. President, I yield to the Senator from Ohio 2 minutes on the bill.

Mr. LAUSCHE. To clarify the record, at the very beginning of my statement I declared that the present law authorizes these payments. I, however, felt that this item should not be highlighted, because of the danger that sponsors of other programs might come forward later and try to highlight their purposes.

Mr. SMATHERS. Mr. President, it is true that I did not hear the beginning of the Senator's statement. I know that his motives are exactly 100 percent proper. If I cast any reflection on his statement, I certainly did not intend to do so.

Mr. LAUSCHE. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. BYRD], the Senator from Alabama [Mr. HILL], the Senator from Montana [Mr. MURRAY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

The Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

I further announce that if present and voting, the Senator from Virginia [Mr. BYRD] and the Senator from Virginia [Mr. ROBERTSON] would each vote "yea."

I further announce that if present and voting, the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MURRAY], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Ohio [Mr. YOUNG] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Indiana would vote "nay."

The result was announced—yeas 26, nays 60, as follows:

[No. 183]

YEAS—26

Allott	Fong	Russell
Butler	Goldwater	Saltonstall
Cannon	Gruening	Schoeppel
Case, S. Dak.	Hickenlooper	Stennis
Cotton	Johnston, S.C.	Talmadge
Curtis	Jordan	Thurmond
Dworshak	Lausche	Williams, Del.
Ellender	Martin	Young, N. Dak.
Ervin	Mundt	

NAYS—60

Aiken	Frear	McClean
Bartlett	Fulbright	McGee
Beall	Gore	McNamara
Bennett	Green	Magnuson
Bible	Hart	Mansfield
Brunsdale	Hartke	Monroney
Bush	Hayden	Morse
Byrd, W. Va.	Hennings	Moss
Carlson	Holland	Muskie
Carroll	Jackson	O'Mahoney
Case, N.J.	Javits	Pastore
Chavez	Johnson, Tex.	Prouty
Church	Keating	Proxmire
Clark	Kefauver	Randolph
Cooper	Kerr	Scott
Dirksen	Kuchel	Smathers
Dodd	Long, Hawaii	Smith
Douglas	Long, La.	Wiley
Eastland	Lusk	Williams, N.J.
Engle	McCarthy	Yarborough

NOT VOTING—14

Anderson	Hruska	Robertson
Bridges	Humphrey	Sparkman
Byrd, Va.	Kennedy	Symington
Capehart	Morton	Young, Ohio
Hill	Murray	

So Mr. LAUSCHE'S amendment was rejected.

The PRESIDING OFFICER. The Senator from Ohio [Mr. LAUSCHE] is recognized.

Mr. LAUSCHE. Mr. President, I call up my amendment, identified as "4-28-60—B," and ask the Senate to consider it at this time.

The PRESIDING OFFICER. The amendment offered by the Senator from Ohio will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 19, beginning with line 21, to strike out over through line 12 on page 20.

The PRESIDING OFFICER. How much time does the Senator from Ohio yield to himself?

Mr. LAUSCHE. Five minutes.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 5 minutes.

Mr. LAUSCHE. Mr. President, this amendment contemplates striking from the bill those provisions which authorize the President to enter into an agreement with other nations of the world for the purpose of forming a fund to be used in saving the ancient monuments of Nubia. The Aswan Dam is being built. It will be 200 miles long in the Arab Republic and 100 miles in Nubia. It will have a depth of 200 feet at certain places, and will inundate relics of ancient Egypt. There are 21 of these relics supposedly of great value historically and archeologically.

There has been formed in the United States a group of archeologists who are deeply interested in preserving the monuments. The United Nations has considered the project, and has made no recommendation for the appropriation of funds, but has given the project its aegis of good will, and has suggested that the nations of the world should contribute to it.

There appeared before the committee an archeologist from Chicago by the name of Mr. Wilson. I listened to him with great joy describing the finds they expected to make in excavating for relics and monuments which have been covered during the ages by sediment. I asked him who had made an expert study of the cost. He said no one had made it, but a group of engineers are now studying it. He said it would cost between $60 million and $90 million. I asked him, "Are you certain that that would be the maximum?" He said, "Of course, I cannot say that $90 million will be the maximum. We shall know when the engineers make the study."

His suggestion was that we contribute 33⅓ percent of the cost, and he now expects that £7½ million of Arabian Republic money will be spent. Seven and a half million pounds means approximately $20 million.

Mr. President, in my judgment, this project has not been adequately studied. It is not known what it will cost. The engineers are now applying themselves to that study.

No other nation has indicated a purpose to participate. Regardless of what one's thoughts may be on the question of the U.S. Government including in the mutual aid program this proposal to save the monuments of the Nile,

we should more carefully consider the question. One suggestion, my colleagues, is that one of these ancient monuments might be brought to the United States and installed at some place where our citizens would be able to gain esthetic and cultural enjoyment from it.

In my judgment, the project has not ben adequately studied and ought not be included in this bill.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. SALTONSTALL. How are we to get started on this project if we do not provide for it in the bill? The Senator has said that perhaps we ought to bring one of those monuments to this country. The inclusion of this provision in the bill would give us an impetus toward getting started on the program, as compared with Egypt or other countries. There might be a number of separate exhibits. Unless we get started on this undertaking and get it underway, the dam will be built and the cultural monuments will be under water. How are we going to get started if we do not make such a provision?

Mr. LAUSCHE. I may say to my colleague it is estimated the Aswan Dam will be completed in 5 years. Mr. Wilson stated that, in this first year, it is contemplated digging up those monuments and relics which are now covered by sedimentation, but that the actual work of removing existing valuable monuments would not be started until next year, and that the cost of doing the excavating will be borne by private contributions.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MANSFIELD. Mr. President, I yield the Senator from Ohio 1 minute on the bill.

Mr. PASTORE. Do we have the permission of the country of Egypt to remove a monument?

Mr. LAUSCHE. There was no direct testimony on that point, but Mr. Wilson testified, and I think the inference may properly be drawn, that they will welcome the participation of the nations of the world.

Mr. PASTORE. But it is only an inference.

Mr. LAUSCHE. Yes.

Mr. PASTORE. I am talking about removing the monument physically out of the country.

Mr. LAUSCHE. There has been some arrangement proposed, which has not yet been settled as to detail, to divide 50–50 the discoveries made in the excavations. There are two very important monuments which I doubt Egypt will allow to be removed, but there is evidence that they will allow the removal of monuments. On that score, may I point out that we may become a nation of monuments; we may spend more money on the dead than on the living; and that day may come sooner than we think.

Mr. FULBRIGHT. Mr. President, there are several very important conditions to this proposal. The first is that it must be an international organization. The U.S. contribution will be entirely in the local currencies of the United Arab Republic and of the Sudan. There will be no dollars involved in this project. These funds already exist in respect to those countries. Our contribution will be limited to one-third of whatever is agreed upon. The U.S. participation must be found by the President to be something that will promote the foreign policy of the United States. Then, and most important of all, whatever agreement may be arrived at during the course of next year, it must come back and be submitted to the Congress for its approval.

This is a tentative plan. These persons from the Universities of Pennsylvania and Chicago are very responsible individuals, and they are very anxious that this proposal be approved, in order to give them an opportunity to help formulate the plan. I do not understand there is an agreement upon the division of the spoils at all. They insist that, whatever agreement is developed, it will be the result of negotiations which will create an international organization. The reason for it would be largely a matter of much interest in the history of Egypt, and the good will, I would say, that would result from this project.

We have this alternative. This local currency exists. It will have to be used either for this kind of purpose or for some other local development, such as an irrigation system, a road, or a school. We can choose what we think is the most important item.

The President can choose in this regard. The President has to find that it is, in his opinion, in the interest of this country to take the action. The President does not have to go through with it, but he is permitted to consider it and to enter into whatever plan is developed. It is very problematical that anything will be developed. It would seem to be good for international relations to make at least a premliminary gesture; to say that if other people are interested we will go along and contribute some of these local currencies to a joint project.

Mr. SALTONSTALL. Mr. President, will the Senator yield for one question?

Mr. FULBRIGHT. I yield.

Mr. SALTONSTALL. Is it not very important that we start on this tentative agreement this year, or otherwise it will not be possible to consummate it? The dam cannot be stopped. The water level will go up, and then nothing can be done.

Mr. FULBRIGHT. That is quite correct. Unless we get this project underway and provide the authority to negotiate, it will soon be too late.

We were told by some of the witnesses that several countries in Europe are interested, and it is expected these countries will join and will make a contribution. One witness stated he had had a communication from the Minister of Education—or Information—in Egypt. stating interest in this.

This is all in the preliminary stage. All that is requested is authority for the President to enter into discussions on the matter. The President will have to make the decision first, and then we will make a decision.

Mr. SALTONSTALL. Mr. President, will the Senator yield for one more question?

Mr. FULBRIGHT. I yield.

Mr. SALTONSTALL. Is it not important to do this, so that we can get these agreements and ultimately get some of these cultural objects in the United States, in our museums?

Mr. FULBRIGHT. I cannot guarantee anything. It will all depend upon the negotiation. There is no agreement that anything is going to be taken out. This is all part of the negotiating which will take place. Some of the things may be removed. Some may have levees put around them.

Mr. President, I will now yield 2 minutes to the Senator from Pennsylvania [Mr. CLARK]. The University of Pennsylvania has an interest in this matter.

Mr. CLARK. Mr. President, I read to the Senate the testimony of John A. Wilson, professor of Egyptology, University of Chicago:

> This is an area in which man has lived for 10,000 years. It is an area which has 21 temples within it, ancient temples, of which 2 are world famous temples, the superb rock-cut temples of Abu Simbel which is one of the most magnificent temples in the world, and 19 others. The artificial lake will cover over an untold number of as yet unexplored unexcavated sites. In other words, to the archeologist this is catastrophe.

There is an international appeal which is being made for the rescue of the monuments in this area. There will be all sorts of international activity in regard to them.

The matter is already being explored by the University of Pennsylvania and by the University of Chicago. There will then be a united effort by scholars of the world. Negatively, if American scholars are not involved in this, it will be a blow to our prestige. Positively, it will be a great gain.

Mr. President, I turn to consideration of the committee amendment which the Senator from Ohio seeks to strike. The amendment provides that if the President of the United States thinks this is a good thing, he may, subject to the approval of the Congress, enter into agreements with friendly nations to pay, in foreign currencies, no more than 33⅓ percent of the cost.

I say to Senators, this seems to me to be one of those rare occasions when the Senate can stand up for education. I think the amendment of the Senator from Ohio represents a revolt against civilization. I hope it will be defeated.

Mr. MANSFIELD. Mr. President, I yield 1 minute to the Senator from North Carolina, from the time on the bill.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. ERVIN. Mr. President, I rise merely for the purpose of making the suggestion that after we have transported one of these Egyptian monuments to the United States at the expense of the American taxpayers we should place a tablet upon it reciting that at the time

the Senate voted to do so the United States owed $284,705,907,078, because the Congress for 25 years had been appropriating more money than it had the moral courage to raise taxes to cover; and that at the time the Senate voted to transport this Egyptian monument to the United States each child who then came into the world in the United States was finding himself saddled with a pro rata responsibility for the national debt of $1,607.91. We might record also on the tablet that at that time the national debt of the United States was higher than the highest pyramid in Egypt.

Mr. MONRONEY. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. Mr. President, I yield 2 minutes to the Senator from Oklahoma.

Mr. MONRONEY. As I understand the situation, this has no relationship to dollars at all. We have something like $80 million worth of Egyptian pounds. The only exportable thing which I know the Egyptians have is long staple cotton, and unfortunately these Egyptian pounds we hold cannot even be used to purchase that.

As a matter of fact, if we do not authorize the President, conferring with international organizations, to see if we can preserve these historic monuments, we are going to have to hold these local currencies in warehouses. Pretty soon the storage charge for the warehousing of these local currencies may approach the problem of the storage charges on wheat. As a matter of fact, if this matter is left in its present position, and if we do not use the local currency, the Egyptian pounds, we will be making an interest-free loan to Mr. Nasser, because our action will stabilize his currency.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. DIRKSEN. Mr. President, I yield 1 minute to the distinguished Senator from New Hampshire from the time on the bill.

Mr. COTTON. Mr. President, I asked for the minute because I wanted to satisfy myself in regard to one point. I should like to have the attention of the chairman of the Committee on Foreign Relations.

It has been explained to us most carefully that this provision is entirely harmless, because the President will only negotiate. It is said that no agreement can result for at least a year, and that the President will have to come back to the Congress for the authority and the sanction required. If that is all true, I cannot understand why the provision is even necessary. Is there anything in the language at all now to prevent the President of the United States from negotiating and finding out what agreement he can make, and then coming back to the Congress with a specific agreement and securing a sanction in a year?

Mr. CLARK. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. The time of the Senator from New Hampshire has expired.

Mr. COTTON. Mr. President, will the Senator yield me 1 minute more?

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from New Hampshire from the time on the bill.

Mr. CLARK. Mr. President, will the Senator yield to me?

Mr. COTTON. I will yield to the Senator in just a moment.

I am forced to the conclusion that there is a real purpose in mind in the inclusion of the provision in the bill. I am not at the moment debating the laudable intentions of the project. However, this is what we constantly do in this body, in this country, and in this Congress. We hold out to the world an idea that we have in advance given sanction to something, to which, technically, we have not given sanction. Then we find ourselves with a moral responsibility to agree.

I will now yield to the Senator such time as I have remaining.

Mr. CLARK. I would answer my friend from New Hampshire by saying that what his statement implies is exactly what this language would do. This is not a legal commitment. It is not even a moral commitment. It is simply some encouragement to the people of the world that if they can come up with a good international agreement we will pay our share of the cost. I am perfectly willing to do that.

Mr. COTTON. Either the language will do something or it will not do something. If it will do something, we should know what it is. If it will not do something, why is the language there at all?

Mr. LAUSCHE. The language is provided because the committee did not dare make a direct recommendation that we participate. This is the smooth and the constantly used method of finally achieving the objective, without facing the problem immediately.

Mr. COTTON. That was my conclusion.

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes from the time on the bill to Senator from Louisiana [Mr. LONG].

Mr. LONG of Louisiana. Mr. President, I have voted for every amendment offered to the bill which would have reduced the cost. I did vote for the committee amendment in this instance. It will not cost the United States a penny.

What the amendment provides is that if other countries are willing to pay two-thirds of the cost we would be willing to pay one-third of the cost with the Egyptian pounds, for which we have no other use, anyway. This will be a mere gesture.

The language provides that before anything could be done the Congress would have to approve whatever agreement was reached. We have been talking about the authorizing of projects. This is one project the Congress will have a chance to authorize. It will be necessary to come back to the Congress, so that we can be informed of what is the desire of the other nations, and what they will pay. We will pay only one-third. All the rest will be paid by other countries.

This is simply a gesture of good will to Egypt, Sudan, and archeologists. We are simply saying, "If the other countries were willing to pay two-thirds of the cost, we would be willing to use the Egyptian pounds to help out in regard to one-third of the cost." My guess is that nothing will result from this, because I do not believe the other countries are going to put up two-thirds of the cost, in good money, on their part. We say, "If the others who are interested will put up two-thirds of the cost, we will put up one-third of the cost."

That is all it is; a gesture. I believe it is a good idea.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. LAUSCHE].

Mr. DIRKSEN. Mr. President, I yield 1 minute to the distinguished Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS of Delaware. Mr. President, without getting into the merits of this particular amendment, I should like to clear up one point which I think is perhaps misunderstood, and that is the idea that we have a barrel full of Egyptian pounds which are not worth anything. How did we get them? We put up good merchandise to get those pounds. They are worth about $2.80 in the international market. Furthermore, instead of having $80 million we doubt that we have anywhere near that amount.

I do not think any Senator can say how much of this foreign currency we do have, or had as of any given date. For 2 months I have been trying to find out from the departments how much we have in foreign currencies of the various countries with particular reference to Egypt. They do not know. I have been furnished different reports as of the same date, and they cannot be reconciled. Apparently they are being valued and accounted for by the executive department in the same irresponsible manner as that in which we are valuing them in the Senate. It is said that these Egyptian pounds are not worth anything. Therefore, it is asked, "Why keep track of them?"

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. Just a moment.

I think it is time to impress upon the executive branch as well as upon ourselves that these foreign currencies are worth something and that they should be properly accounted for. These funds belong to the American taxpayers.

I have not found any department which can tell me what is the right amount of Egyptian pounds that are not committed. The nearest I can come to an estimate is that we have between $20 million and $50 million in these currencies.

Mr. LONG of Louisiana. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute to the Senator from Louisiana.

Mr. LONG of Louisiana. The money the Senator from Delaware is talking about is Public Law 480 money. That money got there because we were trying

to get rid of surplus wheat. Those who administered the program say that the idea is to move the commodity, whether we can use the currency or not.

So far as I know, we have no use for this currency. I doubt if other countries are going to put up their hard-earned money to match money for which we have no other use. We have large amounts of such currency; and if we do not make this gesture, which would not cost us anything, my guess is that the currency will never be used for any other purpose.

Mr. LAUSCHE. Mr. President, may I have 1 minute?

Mr. DIRKSEN. First, I yield 1 minute to the distinguished Senator from Colorado [Mr. ALLOTT].

Mr. ALLOTT. Mr. President, I should like to make one or two observations.

I am very much interested in where we have been, but I am also interested in where we are going. It seems to me that by this section we do exactly as the Senator from New Hampshire has said. We morally commit ourselves to certain action in the future, because we are asking the President, in effect, to negotiate for us if he can.

If the proposed dam were to be built in the United States, and it was about to cover up some great artifacts of this country, we, the people who would be benefiting under the dam, would be asked to pay for the preservation of those artifacts.

I would rather spend the money for food, for medicine, for education, for clothing, for housing for the Egyptians, if Egypt is the only place where we can spend it, than to spend it in this way, with no assurance that we will ever get any part of it back. I do not believe we would.

Mr. DIRKSEN. Mr. President, I yield 1 minute to the distinguished Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, the terms offered are set forth on page 585, showing how these relics will be divided in the event they are found. I submit to my colleagues that one highlight has come out of this discussion. The U.S. Senate is beginning to admit that the foreign currency which we hold is worth nothing, and it is frantically trying to find ways and means of dissipating it, so that it will not appear on our records as being in our possession.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio [Mr. LAUSCHE] to the committee amendment. [Putting the question.]

Mr. ELLENDER and Mr. LAUSCHE asked for a division.

The Senate proceeded to divide.

Mr. LAUSCHE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Michigan [Mr. HART], the Senator from Alabama [Mr. HILL], the Senator from Oklahoma [Mr. KERR], the Senator from Montana [Mr. MURRAY], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

The Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

On this vote, if present and voting, the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Oklahoma [Mr. KERR] would each vote "yea."

I further announce that if present and voting the Senator from Michigan [Mr. HART], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Montana [Mr. MURRAY], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Ohio [Mr. YOUNG] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from North Dakota [Mr. YOUNG] is detained on official business.

On this vote the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Indiana would vote "nay."

The result was announced—yeas 40, nays 44, as follows:

[No. 184]

YEAS—40

Allott	Ervin	Magnuson
Bible	Fong	O'Mahoney
Brunsdale	Frear	Pastore
Butler	Goldwater	Prouty
Byrd, Va.	Green	Randolph
Byrd, W. Va.	Gruening	Robertson
Cannon	Hartke	Russell
Carlson	Holland	Schoeppel
Cotton	Johnston, S.C.	Stennis
Curtis	Jordan	Talmadge
Dodd	Keating	Thurmond
Dworshak	Lausche	Williams, Del.
Eastland	Long, Hawaii	
Ellender	McClellan	

NAYS—44

Aiken	Gore	Martin
Bartlett	Hayden	Monroney
Beall	Hennings	Morse
Bennett	Hickenlooper	Moss
Bush	Jackson	Mundt
Carroll	Javits	Muski
Case, N.J.	Johnson, Tex.	Proxmire
Case, S. Dak.	Kefauver	Saltonstall
Church	Kuchel	Scott
Clark	Long, La.	Smathers
Cooper	Lusk	Smith
Dirksen	McCarthy	Wiley
Douglas	McGee	Williams, N.J.
Engle	McNamara	Yarborough
Fulbright	Mansfield	

NOT VOTING—16

Anderson	Hruska	Sparkman
Bridges	Humphrey	Symington
Capehart	Kennedy	Young, N. Dak.
Chavez	Kerr	Young, Ohio
Hart	Morton	
Hill	Murray	

So Mr. LAUSCHE'S amendment was rejected.

Mr. DIRKSEN. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The motion to table was agreed to.

Mr. HICKENLOOPER. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 23, line 19, insert the following new subsection (a) in section 601 of the bill and redesignate the other subsections of section 601 accordingly:

(a) In section 104, which relates to use of foreign currencies, insert the following after the word "Act" in the final proviso: "other than sections 104(e) and 104(g)".

Mr. HICKENLOOPER. Mr. President, earlier today, when the Senate agreed to the amendment offered by the Senator from Louisiana [Mr. ELLENDER], affecting the section of the bill dealing with Public Law 480, it was motivated, I believe, mainly by opposition to the subsection which broadened title II of Publice Law 480 to include grants for purposes of economic development as well as for purposes of famine relief.

The amendment of the Senator from Louisiana, however, also struck out another subsection of the bill, which appears on lines 19 through 21 on page 23 and which makes a technical amendment in section 104 of Public Law 480 so as to remove a restriction resulting from the interaction of two amendments added to the law last year in regard to use of foreign currencies for health and education.

I believe the effect which has resulted from the action of the Congress last year was not intended by the Congress. I likewise believe that the action of the Senate this morning was not directed to this point so much as to the authority in title II. The amendment which I have offered is designed to correct both of these actions. The difficulty with the law as it now stands, and as it will continue to stand unless my amendment is adopted, is described on page 30 of the committee report as follows:

Subsections (k), (p), and (r) of section 104 of Public Law 480 authorize the use for purposes of health and education, among others, of foreign currencies accruing from the sale of surplus agricultural commodities under title I of that law. A proviso to subsection (k) makes foreign currencies available for the purposes of that subsection only in such amounts as may be specified in appropriation acts. A similar proviso is applicable to subsection (p), and currencies under subsection (r) are limited to the equivalent of $2.5 million a year.

The uses contemplated by these subsections embrace both uses for the benefit of the United States (e.g., collection and translation of scientific and technological information) and uses for the benefit of the foreign country (e.g., support of educational development). This latter category of uses is also embraced under subsections (e) and (g) which make foreign currency available, without appropriation requirement, for purposes of economic development. However, a final proviso to section 104 forbids allocation of foreign currencies "under any provision of this act after June 30, 1930, for the purposes specified in subsections (k), (p), and (r)" except as specified in appropriation acts. The effect of this last proviso is to make it impossible to use foreign currencies for purposes of economic development through health and education under subsections (e) and (g) except as the currencies may be appropriated. Since none of the other uses under subsections (e) and (g) are thus restricted, the proviso curtails rather drastically the work that can be carried on

in these two fields which are basic to economic development.

My amendment is different from the language of the committee bill, but it would accomplish the same result by excepting purposes of economic development from the requirement of appropriations for subsections (k), (p), and (r).

I may say that this is particularly necessary for the malaria eradication program as well as for similar programs relating to health and education.

Mr. President, this morning I supported the amendment of the Senator from Louisiana [Mr. ELLENDER], to which I believe this corrective amendment should now be applied, because the amendment of the Senator from Louisiana struck out an entire group of subjects, of which this one particular sentence in section 104 of Public Law 480 is a part. I intended to ask the Senator from Louisiana, if he were present, if it was his intention to strike out that part of the sentence.

Mr. FULBRIGHT. Mr. President, I think the Senator from Iowa is quite correct. I am prepared to accept the amendment. I think it is a necessary one. I do not see the need to have a vote on it.

Mr. HICKENLOOPER. I thank the Senator from Arkansas. I felt it was an oversight on this section. I supported the original amendment of the Senator from Louisiana.

Mr. FULBRIGHT. I yield back the remainder of my time.

Mr. AIKEN. Mr. President, will the Senator from Iowa yield?

The PRESIDING OFFICER. The time of the Senator from Iowa has expired.

Mr. AIKEN. Mr. President, may I have 1 minute?

Mr. DIRKSEN. I yield 1 minute to the Senator from Vermont.

Mr. AIKEN. As one who supported the Ellender amendment in order to eliminate divided authority over commodities, I believe it would be well to approve the amendment offered by the Senator from Iowa. It certainly was not my intention to prohibit the use of these funds for educational development, health, nutrition, and sanitation. I believe the amendment offered by the Senator from Iowa should be approved.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Iowa is agreed to.

Mr. LAUSCHE. Mr. President, I call up my amendment designated "4–28–60—C" and ask that it be read.

The PRESIDING OFFICER. The Chair is advised that that amendment has already been agreed to.

Mr. LAUSCHE. It is my understanding that the chairman of the committee believes the amendment conforms to the general purposes of the section and that, therefore, he is willing to accept it.

Mr. FULBRIGHT. I am willing to accept the amendment of the Senator from Ohio.

Mr. LAUSCHE. I ask that my amendment be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 20, before the period in line 12, it is proposed to insert the following:

And no such currencies shall be so used until the President is satisfied that expenditures representing the remainder of such cost have been or will be made by other interested nations or organizations thereof.

Mr. FULBRIGHT. Mr. President, I am willing to accept that amendment, and I yield back my time.

The PRESIDING OFFICER. Does the Senator from Ohio yield back his time?

Mr. LAUSCHE. Yes.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Ohio is agreed to.

Mr. GRUENING. Mr. President, I call up my amendment designated "4–28–60—G," and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to amend section 537(f) so as to read as follows:

During the annual presentation to the Congress of requests for authorizations and appropriations of military assistance under this Act, there shall be submitted a clear and detailed explanation on a country-by-country basis of the force objectives toward the support of which such assistance is proposed to be furnished; the projected costs of equipping and the annual recurring costs of maintaining such force objectives, together with the estimated costs of present plans for modernizing such force objectives; and explanation of the degree to which such force objectives had been equipped, maintained, and modernized under programs already approved; the accomplishments to be achieved with the funds currently being requested, and estimates of the time-phased costs for carrying out the remainder of the program.

Mr. GRUENING. Mr. President, I call this the "required planning amendment."

The amendment has been suggested by the Comptroller General, as will be seen by his statement in the middle of page 628 of the printed hearings. Of this proposal the Comptroller General has said:

Although the Department of Defense has taken measures to project the program costs 3 years into the future, the present budget justification submitted to the Congress by the executive agencies does not contain information which we consider necessary to provide the Congress with a fully informed basis for appropriating funds and for reviewing program performance.

This amendment applies only to military assistance.

It requires only that certain information be made available to Congress. But because it requires this information to be submitted to Congress, it will, in turn, require the Department of Defense and the Department of State to plan ahead—to think through—with respect to military assistance; to consider where we are, where we are going, and how much it will cost to get there.

It will require that Congress be furnished information as to time-phased costs for carrying out our military assistance program on a country-by-country basis.

As the Comptroller General has stated, the amendment will provide the answers to the oft-raised questions on how long military assistance will be continued with respect to each country, at what level, how much it will cost, at what rate it will be "phased out," and so forth.

This kind of foresighted planning is essential if the program is not to continue on a short-range planning basis for a long-range program. The amendment does not affect the national security.

I urge the adoption of my amendment, and I ask for the yeas and nays.

Mr. FULBRIGHT. Mr. President, will the Senator withhold his request for the yeas and nays?

Mr. GRUENING. I withhold my request.

Mr. FULBRIGHT. The amendment is not objectionable, because the Senator from Alaska is trying to improve the quality of planning on the part of the military. I would be willing to take the amendment to conference and study it. I would not want to make a final commitment that I would fight, bleed, and die for it; but I think it would not be too bad to accept it and see if we cannot work out the problem in conference. The administration does not object to the intent, but it has some criticisms as to the way in which it is expressed. So I am willing to take the amendment to conference.

Mr. GRUENING. I appreciate the attitude of the chairman of the committee.

Mr. AIKEN. Mr. President, will the Senator from Arkansas yield for 1 minute to me, so that I may ask a question?

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Does the Senator from Arkansas yield to the Senator from Vermont?

Mr. FULBRIGHT. I yield.

Mr. AIKEN. Would not this amendment require the publicizing of our plans for military assistance to all the countries we assist?

Mr. GRUENING. Not at all.

Mr. FULBRIGHT. If such publicizing of our plans would be required by the amendment, that would be objectionable, and that part would have to be deleted in conference. But the major objective; namely, for better planning—is not objectionable.

Mr. AIKEN. If the purpose of the amendment is to have reports made to the Congress, that would be one thing. But if the result would be to inform all the other countries in the world what we expect our military contributions to certain countries to be, I believe that would be objectionable.

Mr. FULBRIGHT. Then that part would have to be deleted in conference.

Mr. GRUENING. I think the information required by the amendment would be in the same classification that any other information desired from the Department of Defense would be in.

Mr. FULBRIGHT. Mr. President, I am ready to vote on the amendment.

The PRESIDING OFFICER. Does the Senator from Alaska yield back the remainder of the time available to him?

Mr. GRUENING. I do.

Mr. FULBRIGHT. I do likewise, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska.

The amendment was agreed to.

Mr. GRUENING. Mr. President, I call up my amendment identified as "4–28–60—F," and ask that it be stated and considered.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to amend section 401 by adding at the end thereof an appropriately lettered new subsection as follows:

Section 537(f) is amended to read as follows:

"Within ninety calendar days after the enactment of the Act making appropriations for the fiscal year 1960 and subsequent fiscal years for carrying out the purposes of this Act, there shall be submitted to the cognizant committees of the House and Senate detailed budgets on a country-by-country basis setting forth, with respect to defense support, technical cooperation, and special assistance, the specific purposes in detail by amounts for which the funds available will be obligated during the respective fiscal year, and such funds shall be available only for the purposes thus specified: *Provided*, That this subsection shall not apply to funds affected by the use of sections 451(a) or 501 of this Act, or to reasonable variations in the use of funds within a country for purposes other than those specified in the detailed budgets."

Mr. GRUENING. Mr. President, this amendment attempts to reassert congressional control over expenditures for foreign aid. It is an attempt to apply to the foreign-aid program the same budgetary and accounting controls which are now applicable to our domestic programs. It is an attempt to end illustrative budgets under which requests to the Congress for funds are justified only by the submission of "maybe" budgets—that is, budgets which are not firm, which do not bind the administrators of the foreign-aid program to spend any of the funds for any of the purposes stated in their illustrative budgets.

That is not the way domestic programs are justified before the committees of Congress. I do know, of course, that unless restrictions are written into law, the administrators of domestic programs are not legally required to spend the funds appropriated for the exact items for which the funds were justified in their budgets.

But I know also, Mr. President, that it would be a most unwise and unusual administrator of a domestic program who would justify the funds requested on one basis, before the appropriations committees and before the Congress, and then spend the funds for a totally unrelated purpose. Such an administrator would speedily find that the Appropriations Committees do know how to write legal restrictions into an appropriations bill.

My amendment does not go as far as the Comptroller General suggests. Senators will find his comments at page 628 of the Senate committee hearings. He would curtail drastically the President's discretionary funds. I am not offering such an amendment at this time. So, even if my amendment is included, the President will still have discretion to move funds from one project to another, under sections 451 and 501.

Earlier in the day an amendment proposed by the distinguished Senator from Louisiana—to strike out certain salary increases and increased classifications—was defeated; and the chairman of the committee argued that it is important that we have an Inspector General and Comptroller to make sure this program is well administered. That would have cost a considerable amount of money.

Here is an opportunity to provide for a means of control by the one person who is a servant of the Congress; namely, the Comptroller General of the United States. The control would be had without a nickel of extra cost, and the control would be the kind we should have. The control would not be had by an official who was a part of the program and was not anxious to uncover its defects. Instead, the control would be by a servant of the Congress in this field.

Mr. President, I call for the adoption of the amendment; and on the question of agreeing to the amendment, I ask for the yeas and nays.

Mr. JOHNSON of Texas. Mr. President, I ask the Senator from Alaska, did not we have an agreement as to the yeas and nays in this case?

Mr. GRUENING. I did not so understand it; but that will be all right. I think this amendment is an important one. When it was proposed last year, I believe there were 37 votes in favor of its adoption.

But if the majority leader desires to hasten the procedure——

Mr. JOHNSON of Texas. Mr. President, if the Senator from Alaska did not understand that he had an agreement with me in regard to not having the yeas and nays taken on this amendment, then I shall ask that the yeas and nays be ordered. However, I understood that we had an agreement that the yeas and nays would be ordered on two of the Senator's amendments, but not on the other two. But if there is any question about that, I now ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. FULBRIGHT. Mr. President, this is an amendment which I cannot accept. It is a very bad amendment; it is an unworkable amendment.

Existing law already provides that the Congress be informed, within 60 days after the appropriation of mutual security funds, of changes in the programs as originally submitted to the Congress. During the rest of the year, any program change of $1 million or more or 5 percent of the amount of the appropriation also must be reported to the Congress.

The Senator from Alaska says that a program of this sort is followed in the other parts of the Government. But there is no freezing of a program, so that it cannot be changed 90 days after the appropriation is made.

This amendment is utterly unworkable, and it would make the administration of the program wholly impossible. It would destroy any capacity to negotiate with the foreign countries involved in these matters.

Mr. MANSFIELD. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. MANSFIELD. I should like to ask the Senator from Arkansas a question. Is it not true that on the basis of a committtee recommendation, we provided by law that the Office of Inspector General be set up, and that at periodic intervals he report to the committee, by means of detailed reports, about what is going on in each individual country?

Mr. FULBRIGHT. Precisely.

Mr. AIKEN. Mr. President, will the Senator from Arkansas yield 1 minute to me?

Mr. FULBRIGHT. I yield 1 minute to the Senator from Vermont.

Mr. AIKEN. I wish to say that this amendment is even more unworkable than the Senator from Arkansas says it is. The amendment provides that within 90 days after the beginning of the year, all appropriations for defense support, technical cooperation, special assistance, and so forth, must be committed and frozen, and cannot be used for any other purpose. Such a provision would make the program one of the most unworkable that we have ever had before us.

Our attitude in regard to such countries often change after the fiscal year begins, and the needs also change. So this amendment would be a most disastrous one to adopt.

Mr. DIRKSEN. Mr. President, just to make the legislative history of this matter, let me say that during my service on the Appropriations Committee, I believe I have heard all the testimony on virtually every one of the mutual security programs. We were constantly at pains to work out techniques to deobligate the cost, if a change in need which could not be foreseen occurred. In that event, it would be necessary to reobligate the funds and to determine what would be necessary. That would require a degree of flexibility.

But this amendment would require "within 90 calendar days" "detailed budgets on a country-by-country basis" in regard to the various items set forth in the amendment. The budgets would have to be set forth in detail; and the "detailed budgets on a country-by-country basis" would have to set forth "with respect to defense support, technical cooperation, and special assistance, the specific purposes in detail by amounts for which the funds available will be obligated during the respective fiscal year, and such funds shall be available only for the purposes thus specified"—and so forth.

In that event, the entire program would be thrown into a straitjacket. In that case, if ever there would be an incentive to waste money, it would then exist—if the law provides, in effect: "It makes no difference how much of a change has occurred; the money can be spent only for the purpose specified." That would be an open invitation to waste.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. SALTONSTALL. The Senator has sat in the consideration of many

of these programs. Is it not true that these programs which are submitted to the appropriate committees are then subject to agreement by the countries involved, which submission does not take place for 3 or 4 months later, and there are bound to be some changes?

Mr. DIRKSEN. That is correct.

Mr. President, I hope the amendment will be defeated, and I am ready for a vote.

Mr. FULBRIGHT subsequently said: Mr. President, I overlooked having printed in the RECORD a letter from the Comptroller General pertaining to the amendment offered by the Senator from Alaska, which has been voted on. I ask unanimous consent that the letter from the Comptroller General be printed in the RECORD prior to the vote, in order that the RECORD will be complete.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

The letter, ordered to be printed in the RECORD, is as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., April 15, 1960.

Hon. J. W. FULBRIGHT,
U.S. Senate.

DEAR SENATOR FULBRIGHT: This is in response to your inquiry of April 9, 1960, concerning Senator ERNEST GRUENING's proposed amendment to section 537(f) of the Mutual Security Act of 1954. The amendment consists of two parts, one relating to economic assistance, the other to military assistance, and we are commenting therefore separately on the two categories of assistance.

ECONOMIC ASSISTANCE

We are in general accord with the objectives of the amendment, as it seeks to strengthen congressional control over mutual security funds and to improve budgeting and accounting practices for such funds. In our letter of July 2, 1959, to Senator GRUENING, we stated that, because of the special role of the mutual security program as an instrument of U.S. foreign policy, we have considered it necessary to recognize, within reasonable limits, the need for flexibility in carrying out program plans and allow for changes which affect the nature and size of planned activities. Therefore, we have not deemed it appropriate to recommend a legislative requirement holding the executive branch to strict adherence to its budget plans.

However, based on our audit work covering the economic and technical assistance activities of the mutual security program, we have questioned the use of the illustrative type program presentation for planable activities and have recommended that firmer and better thought-out programs be presented to the authorizing and appropriating committees of the Congress as a means of encouraging closer adherence to programs as presented. We have also recommended for all planable activities more complete and meaningful presentation of proposed programs and a clear accounting for funds previously authorized and appropriated. As a further means of narrowing the use of funds to programs as presented, we have suggested that the broad use and transfer authority contained in sections 451(a) and 501 of the Mutual Security Act of 1954, as amended, may no longer be needed in view of the broad uses of funds authorized for each of the major program categories and the establishment of a contingency fund by section 451(b) which is available to meet emergency requirements not susceptible of advance planning.

With respect to the proposed legislation which would require the responsible executive agencies to follow closely the program proposals presented to the Congress 90 days after the appropriation of funds, we believe that a basic question of policy is involved which is for the Congress to decide. We have called attention to a number of provisions in the legislation now in force which permit considerable flexibility in carrying out annual mutual security programs and would tend to reduce the effectiveness of the proposed legislation. The amendment currently proposed by Senator GRUENING has been suggested by us as a revision of his earlier proposal which had been submitted for our review. The revised provision was considered by us to be a more workable means of accomplishing the Senator's objective, if such legislation should be deemed desirable by the Congress. Whereas the Senator's original proposal required that the executive branch shall be bound by its detailed annual budgets when they are presented to the congressional committees prior to the authorization and appropriation of funds, the current proposal defers the time at which budget plans shall be binding to a point as close as practicable to the time of actual implementation.

MILITARY ASSISTANCE

The amendment to section 537(f) relative to military assistance, as proposed by Senator GRUENING was suggested by us in our letters dated July 2, 1959, and April 5, 1960. This amendment is in accordance with recommendations contained in our various reports on the military assistance program, that the Department of Defense should develop and submit to the Congress the aggregate projected costs of equipping, maintaining and modernizing military forces in the countries which the United States has agreed to support under the mutual security program.

We believe that the annual appropriation requests should show the total projected cost or ceiling for each country, the portion already funded, the portion requiring funds in the budget year, and the time-phased costs for carrying out the remainder of the program, taking into account any revisions in total estimated costs which will have to be made from time to time. Based on these data, it would be possible to relate the annual appropriation requests to the estimated cost of the overall objectives that the United States is striving to achieve in the various countries being aided. This presentation would better enable the Congress, taking into consideration the resources already available from past appropriations, to determine the amount of additional funds required to carry out each annual phase of the projected programs. The Department has recognized the desirability, from a management standpoint, of formulating long-range plans and has taken measures to project future program costs for a period of 3 years. We believe that this information should also be made available to the Congress on a country-by-country basis. We consider that such information is essential to the Congress as a basis for considering annual appropriation requests and measuring program performance.

RESTRICTIONS ON OTHER AGENCIES

You ask whether other agencies in the U.S. Government are bound by similar restrictions on the use of funds. We are not aware of a legislative provision applicable to other agencies which restricts the use of appropriations to the specific purposes detailed in a budget presented either prior to, or within 90 days after, the appropriations are made. The purposes for which appropriations are legally available are generally governed by the language used in the statutes authorizing the appropriating the funds. It may be stated, however, that legislation relating to certain construction programs, such as public works programs carried out by the Bureau of Reclamation and the Corps of Engineers and the military construction and military housing programs, generally restricts the expenditure of funds to projects specifically presented to and approved by the Congress.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska [Mr. GRUENING] to the committee amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Louisiana [Mr. ELLENDER], the Senator from Michigan [Mr. HART], the Senator from Alabama [Mr. HILL], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

The Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

On this vote the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Minnesota would vote "nay."

If present and voting, the Senator from Virginia [Mr. BYRD] and the Senator from Louisiana [Mr. ELLENDER] would each vote "yea."

I further announce that if present and voting, the Senator from Michigan [Mr. HART], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MURRAY], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Ohio [Mr. YOUNG] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Indiana would vote "nay."

The result was announced—yeas 29, nays 54, as follows:

[No. 185]

YEAS—29

Bartlett	Dodd	Johnston, S.C.
Bible	Eastland	Jordan
Byrd, W. Va.	Ervin	Kerr
Cannon	Frear	Long, Hawaii
Case, S. Dak.	Goldwater	Long, La.
Curtis	Gruening	Magnuson

Morse	Proxmire	Talmadge
Moss	Robertson	Thurmond
Mundt	Russell	Yarborough
Muskie	Schoeppel	

NAYS—54

Aiken	Fong	McClellan
Allott	Fulbright	McGee
Beall	Gore	McNamara
Bennett	Green	Mansfield
Brunsdale	Hartke	Martin
Bush	Hayden	Monroney
Butler	Hennings	Pastore
Carlson	Hickenlooper	Prouty
Carroll	Holland	Randolph
Case, N.J.	Jackson	Saltonstall
Church	Javits	Scott
Clark	Johnson, Tex.	Smathers
Cooper	Keating	Smith
Cotton	Kefauver	Stennis
Dirksen	Kuchel	Wiley
Douglas	Lausche	Williams, Del.
Dworshak	Lusk	Williams, N.J.
Engle	McCarthy	Young, N. Dak.

NOT VOTING—17

Anderson	Hart	Murray
Bridges	Hill	O'Mahoney
Byrd, Va.	Hruska	Sparkman
Capehart	Humphrey	Symington
Chavez	Kennedy	Young, Ohio
Ellender	Morton	

So Mr. GRUENING's amendment to the committee amendment was rejected.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the motion of the Senator from Illinois to reconsider.

The motion to lay on the table was agreed to.

LEGISLATIVE PROGRAM

During the consideration of Mr. FULBRIGHT's amendment, "4–29—A,"

Mr. DIRKSEN. Mr. President, will the Senator from Arkansas withhold for a moment while I query the majority leader on the program for tomorrow?

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Arkansas may yield to me for this purpose, without the Senator losing his right to the floor and without the time being charged to either side, with the understanding that the colloquy will be printed at a proper place in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. DIRKSEN. Mr. President, for the convenience of Senators I inquire of the majority leader what is the program for tomorrow, and perhaps for the following day?

Mr. JOHNSON of Texas. Mr. President, if we conclude action on the bill presently under consideration this evening, we shall proceed to the consideration of Order No. 1333, H.R. 10809, to authorize appropriations to the National Aeronautics and Space Administration.

Also, we have a conference report on the Commerce Department appropriation bill at the desk, I believe.

I am also informed that the distinguished chairman of the Committee on Banking and Currency desires to make a motion, which may consume some time, to concur in some House amendments to a bill of interest to the Committee on Banking and Currency.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. HOLLAND. As the majority leader knows, we have had a conference report available for 2 or 3 days. I have been waiting all day to try to present it to the Senate. All the conferees have signed the report. I should like to have the report considered, if possible, at a time when the senior Senator from Delaware [Mr. WILLIAMS] can be present, because he has a particular interest in the matter.

At what time in the very near future does the majority leader desire to have the conference report presented?

Mr. JOHNSON of Texas. So far as the majority leader is concerned, as soon as we complete action on the pending bill it will be proper to consider the report. If we complete action on the bill this evening, I would suggest the report be considered immediately after we convene tomorrow.

Mr. HOLLAND. I understand the Senator from Delaware will not be available until 3 o'clock tomorrow.

Mr. JOHNSON of Texas. Very well. I shall be glad to have the report considered when the Senator from Delaware is available. The report is a privileged matter. The Senator from Florida has been very cooperative.

We will be considering the appropriation bill for the National Aeronautics and Space Administration. If the Senator from Delaware is available at 2 o'clock, at 3 o'clock, or at 4 o'clock, whenever the Senator from Florida desires to have the report brought before the Senate, I shall be glad to yield to him for that purpose, and to ask the Presiding Officer to recognize the Senator. We will consider the report, and discuss it.

Mr. HOLLAND. I thank the majority leader.

I should like to ask the Senator from Maine if tomorrow afternoon would be an agreeable time to her for consideration of the report.

Mrs. SMITH. Entirely so.

Mr. HOLLAND. Mr. President, I should like to give notice to all the Members of the Senate who may have some matter or other of interest involved in the conference report that I shall expect to present the report without fail tomorrow afternoon at the first moment the Senator from Delaware is available.

Mr. JOHNSON of Texas. I have already given notice to the Senator from Illinois that we will consider the conference report.

Mr. ROBERTSON. Mr. President, will the Senator yield to me?

Mr. JOHNSON of Texas. I yield to the Senator.

Mr. ROBERTSON. The distinguished Senator from Utah [Mr. BENNETT] wishes to make a brief comment on the bank merger bill, when we consider the matter. The Senator informed me this afternoon he could not be present on Wednesday but could be present on Thursday. The chairman of the Committee on Banking and Currency, who had planned to have the bill considered Wednesday, hopes the leadership will permit him to have it considered Thursday.

Mr. JOHNSON of Texas. The leadership will attempt to have the measure considered when the Senator from Virginia desires.

Mr. ROBERTSON. So far as the chairman of the committee knows, this is not a controversial bill, but several members of the committee wish to make a legislative history.

Mr. JOHNSON of Texas. I thank my friend the Senator from Arkansas [Mr. FULBRIGHT] for yielding.

Mr. DIRKSEN. Mr. President, I have one further inquiry. I do not believe the majority leader has asked consent for an order for the time of convening tomorrow.

Mr. JOHNSON of Texas. I should like to be guided by what we do tonight, before we get the order.

Mr. DIRKSEN. I presume we will finish consideration of the bill tonight.

Mr. JOHNSON of Texas. I presume so also, but I am not sure yet.

MUTUAL SECURITY ACT OF 1960

The Senate resumed the consideration of the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. FULBRIGHT. Mr. President, I call up my amendment "4–29–60—A," and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the proper place in the bill it is proposed to insert:

SEC. 2. Section 2 of the Mutual Security Act of 1954, as amended, which is a statement of policy, is further amended by adding at the end thereof the following:

"(g) In giving effect to the principles expressed in subsection (f) above, the President should not normally regard them as applicable to a situation wherein two or more nations receiving assistance under this Act or surpluses under the Agricultural Trade Development and Assistance Act of 1954, as amended, are engaged in actions detrimental to United Nations efforts to maintain peace and stability and application of the above-mentioned principles would in the judgment of the President constitute partiality by the United States relating to the merits of the cause advanced by any one of the antagonists."

Mr. FULBRIGHT. Mr. President, the pending amendment is intended to try to bring the statement of policy which was inserted in the bill on last Thursday more into accord with what I believe to be the real interests of the country, that is, an impartial attitude toward the conflict which has troubled the Middle East for a very long time.

There has been a good deal of misinformation about the situation in the Middle East. This arises partly because of the inadequacy of our press in reporting what goes on there. I do not intend to make a long speech on my own account, but this subject has been considered very seriously by the Department of

State, and the Acting Secretary of State has sent me a letter, copies have been put on each Member's desk. I shall not read all of that letter, but there are certain parts of it to which I wish to invite attention, to impress upon Senators that intervention in our troubled international relations is a serious matter.

Taken alone, without any reference to the actual state of affairs which exist in the world, the amendment which was offered by the Senator from Illinois and adopted last Thursday would seem to be inoffensive. But taken in connection with the facts which exist in the world, it is a very explosive amendment. My amendment is an effort to try to bring our policy back into accord with what I believe to be the interests of the country.

I wish to read one or two paragraphs of the letter from the Acting Secretary of State, Mr. Dillon. On page 2 of the letter, he says:

Incidentally, there appears to be considerable inaccurate information surrounding the Suez Canal transit question. For example, it is said that American ships are being "barred" from the canal for having called at Israeli ports. As a matter of fact, not a single American ship has thus far been denied passage through the canal.

The contrary has been asserted in many quarters. This is the Acting Secretary of State speaking:

Out of a total U.S. maritime fleet of 498, only 23 ships have been placed on the so-called Arab blacklist because of prior calls at Israeli ports. These 23 are denied entry at Arab ports but there has been no instance of denial of their transit of the canal.

In this connection you may have read in the press that American labor unions in New York have set up picketing against the United Arab Republic ship *Cleopatra*. The purpose of the picketing is to impel the United Arab Republic to abandon its restrictions against Israel shipping.

Not against American shipping, but Israeli shipping.

Continuing with the statement of Acting Secretary Dillon:

Unfortunately, this objective is not being served. Asserting their determination to resist such pressures, the Arab countries are establishing counterpicketing against American shipping. This reaction against coercion, which is not unnatural in young emerging states, means in effect that at least 20 American ships with 1,000 seamen aboard will be affected within the next month. It also means that for every Arab ship Americans may boycott some 20 American ships may be subjected to Arab boycott.

I hold in my hand a telegram received today from the chairman of the American Committee for Flags of Necessity, Mr. Erling D. Naess. This committee represents a long list of steamship companies, including Alcoa Steamship Co., American Oil Co., Atlantic Refining Co., Gulf Oil Corp., Marine Transport Lines, Socony Mobil Oil Co., Tidewater Oil Co., and other companies. Apparently, it is a very large association of flagships.

I ask unanimous consent to have the telegram printed in the RECORD at this point as a part of my remarks, to indicate how serious the repercussions of the boycott in New York, which was inspired by a local union, are against our shipping; in addition to being highly inflammatory to our political international relations.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

NEW YORK, *April 30, 1960.*

Hon. J. W. FULBRIGHT,
Chairman, Senate Foreign Relations Committee, Washington, D. C.:

I respectfully ask that a public hearing is now appropriate by your committee to determine the need for legislation to permit Federal courts in appropriate cases to give protection to the foreign commerce of foreign-flag vessels entering U.S. ports. The purpose of such legislation would be to assure that the treaty obligations of the United States be implemented and that foreign-flag ships of all friendly foreign nations may freely enter and trade in our ports without interference and harassment in their internal economy and management in violation of principles of international law recognized by the United States and maritime nations of the world. I submit this request as chairman of the American Committee for Flags of Necessity being a committee of Beneficial owners of a substantial number of foreign-flag tankers and other bulk carriers. Continued picketing by Seafarers International Union supported by International Longshoremen's Union of Egyptian-flag vessel *Cleopatra* in protest against policies of United Arab Republic despite statement to the press Thursday, April 21, by Department of State that such conduct was "embarrassing to the conduct of our Government's foreign relations and may have unfortunate consequences," together with decision of district court denying injunctive relief against such picketing to foreign owners of the vessel shows that foreign commerce of foreign-flag vessels in U.S. ports may now be conducted only at the sufferance of American Seamen's and Longshoremen's Union such conduct may result in nullification of provisions of treaties of friendship, commerce, and navigation with over 14 friendly foreign nations providing for flag recognition and containing provisions permitting the nationals of each high contracting party freely to come with their vessels to the ports of the other party and to engage in trade and commerce without interference. An obligation rests upon the United States to take steps to assure that these provisions will not be nullified by acts of private persons and that foreign-flag vessels of treaty countries may enter U.S. ports with confidence that these treaty rights will be respected. In addition there is need for similar protection by law of the foreign-flag vessels of nontreaty countries that come to U.S. ports.

ERLING D. NAESS.

NEW YORK, *April 29, 1960.*

Hon. J. W. FULBRIGHT,
Chairman, Senate Foreign Relations Committee, Washington, D.C.:

The membership of the American Committee for Flags of Necessity referred to in my wire today requesting public hearing is as follows: Alcoa Steamship Co., American Oil Co., American Trading & Production Corp., the Atlantic Refining Co., Bernuth, Lembcke Co., Inc., Chas. Kurz & Co., Inc., Cities Service Co., Gotaas-Larsen, Inc., Gulf Oil Corp., Marine Transport Lines, Naess Shipping Co., Inc., National Bulk Carriers, Inc., Richfield Oil Corp., Sinclair Refining Corp., Socony Mobil Oil Co., Inc., Standard Oil Co. (N.J.), Standard Oil Co. of California, Texaco, Inc., Tidewater Oil Co., United Fruit Co.

ERLING D. NAESS.

Mr. FULBRIGHT. I continue to read from the letter from Acting Secretary of State Dillon:

As can be seen, outside attempts, no matter how well intentioned, to compel one or more of the Middle Eastern countries to follow a certain behavior have wide repercussions. I might add that while resentments against such pressure in Arab-Israel matters have direct repercussions on our interests in 10 Arab countries from Morocco to the Persian Gulf, the sympathy for these 10 nations is inevitably widespread throughout Africa and Asia. This is a critical juncture in the history of those two continents. Just when the young Afro-Asian nations and particularly the Arab nations appear for the first time to be becoming aware of the fact that the Communists have been falsely posing as patriotic nationalists, it ill behooves us, through an appearance of placing strings on our aid, to incur the deep resentment or hostility not only of the 10 Arab nations but of their natural friends, the states of Africa and Asia. In fact, we do not believe it is in Israel's long-range interest that such enmity be aroused and choosing of sides precipitated throughout the Afro-Asian region.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. FULBRIGHT. Mr. President, I ask for 5 additional minutes on the bill.

Mr. JOHNSON of Texas. I yield the Senator 5 additional minutes.

Mr. FULBRIGHT. I shall not read all of this letter, because I know it is growing late. I may add that this letter was prepared after all our Ambassadors in this area of the world had been questioned about the effect of the amendment referred to. It is not a matter that was taken up casually and sent to us, so to speak, off the top of the head. This is the considered opinion of the Department and the Acting Secretary of State.

Mr. President, I ask unanimous consent that the entire letter from which I have been reading be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., May 2, 1960.

The Honorable J. W. FULBRIGHT,
Chairman, Foreign Relatoins Committee, U.S. Senate.

DEAR MR. CHAIRMAN: In response to your request for the views of the Department of State with respect to the implications of the Douglas amendment to the mutual security bill, I take this opportunity to set forth the following perinent observations.

As we understand the intent of its 18 sponsors, the Douglas amendment is designed to support efforts toward eliminating trade restrictions in the Middle East, particularly with respect to those practiced against the State of Israel. I am sure you are aware that this purpose is fully consistent with long-standing objectives of the U.S. Government. It is our conviction, however, that the inclusion of this amendment in current mutual security legislation will in fact be counterproductive and will not achieve its intended purpose. In addition, such inclusion will in our view have harmful repercussions on U.S. interests in a wide area of the Middle East.

As you know, a resolution similar to the Douglas amendment was passed in the House of Representatives at an earlier date. Fully sympathetic with the objective intended, the Department made the text available to our embassies and consulates in countries which would be affected by the amendment. In a unanimous expression of opinion our field posts from Morocco to Iraq reported that the adoption of an amendment of this type would clearly not be in the interest of the United States, nor for that matter of Israel.

Our posts abroad emphasized their concurrence with the objective sought by this amendment. They also stressed, however, that regardless of the effect which the amendment might have on the actual level of our assistance to the Middle Eastern States, the amendment would be widely interpreted as: (a) demonstrating favoritism for the State of Israel—to the extent that it would render more difficult our efforts to bring about a relaxation of tensions between Israel and the Arab States; and (b) an attempt to "tie strings" to our economic aid, and, by implication, to threaten the use of aid as an instrument of political coercion. Our posts pointed out, and the Department of State fully concurs, that incorporation of this amendment would without doubt have the effect of making the task of eliminating the Arab boycott of Israel more difficult and would play into the hands of the Soviet bloc which seeks to exacerbate Middle East tensions to further its penetration of the area.

Our Government has repeatedly made clear, publicly and through diplomatic channels, its support for freedom of transit through the Suez Canal, as well as our opposition to the Arab boycott against Israel. These undesirable restrictions, as you are aware, are an outgrowth of the Palestine problem, which continues to cause tensions between Israel and the Arab States and to perpetuate unfortunate circumstances such as those whereby nearly 1 million Arab refugees are not able to return to their homes. It is our Government's firm conviction that an Arab-Israel settlement will one day come, not by coercion but by a spirit of accommodation on both sides. As progress is made in that direction, such problems as boycotts, restrictions and homeless refugees will disappear.

Incidentally, there appears to be considerable inaccurate information surrounding the Suez Canal transit question. For example, it is said that American ships are being "barred" from the canal for having called at Israeli ports. As a matter of fact, not a single American ship has thus far been denied passage through the canal. Out of a total U.S. maritime fleet of 498, only 23 ships have been placed on the so-called Arab blacklist because of prior calls at Israeli ports. These 23 are denied entry at Arab ports but there has been no instance of denial of their transit of the canal.

In this connection you may have read in the press that American labor unions in New York have set up picketing against the United Arab Republic ship *Cleopatra*. The purpose of the picketing is to impel the United Arab Republic to abandon its restrictions against Israel shipping. Unfortunately, this objective is not being served. Asserting their determination to resist such pressures, the Arab countries are establishing counterpicketing against American shipping. This reaction against coercion, which is not unnatural in young emerging states, means in effect that at least 20 American ships with 1,000 seamen abroad will be affected within the next month. It also means that for every Arab ship Americans may boycott some 30 American ships may be subjected to Arab boycott.

As can be seen, outside attempts, no matter how well intentioned, to compel one or more of the Middle Eastern countries to follow a certain behavior have wide repercussions. I might add that while resentments against such pressure in Arab-Israel matters have direct repercussions on our interests in 10 Arab countries from Morocco to the Persian Gulf, the sympathy for these 10 nations is inevitably widespread throughout Africa and Asia. This is a critical juncture in the history of those two continents. Just when the young Afro-Asian nations and particularly the Arab nations appear for the first time to be becoming aware of the fact that the Communists have been falsely posing as patriotic nationalists, it ill behooves us, through an appearance of placing strings on our aid, to incur the deep resentment or hostility not only of the 10 Arab nations but of their natural friends, the states of Africa and Asia. In fact, we do not believe it is in Israel's long-range interest that such enmity be aroused and choosing of sides precipitated throughout the Afro-Asian region.

In our view, avoidance of coercive tactics against Israel's neighbors is in Israel's interest. In just over a decade, Israel has quadrupled its exports. Its unfavorable trade balance has steadily been reduced. Israel's gross national product per capita is now more than twice that of any of its neighbors and even exceeds that of Netherlands and Italy. While foreign funds from various sources at an average rate of nearly $1 million per day have been partly responsible, primary responsibility for this progress lies with the Israeli people themselves, their ingenuity, industriousness, and devotion to purpose. Parenthetically, I should note that our Government has been consistent in its support to Israel. We have extended to Israel with its population of under 2 million a sizable total of various types of assistance, including Public Law 480. Such assistance, as you know, is continuing. Conditions have thus far been sufficiently favorable to allow Israel to make great strides. In our view it would be a grave mistake to have that progress disturbed by actions which can only stir up area tensions to Israel's detriment.

As you know, it is the view of our Government that the tensions of the Middle East can more effectively be treated by concerted international action than by unilateral action on the part of the United States. That was the essence of President Eisenhower's address before the United Nations General Assembly during the fateful Middle East crisis in the summer of 1958. Such progress as has been recorded since that time has been in large measure due to such international agencies as the United Nations Emergency Force and the United Nations Truce Supervisory Organization. With specific reference to the restrictions on Israel shipping in the Suez Canal, the United Nations Secretary General has actively sought a solution. Although his efforts have not succeeded and have in fact met with a number of setbacks, the Secretary General as recently as April 8 reported his continued interest in the problem and his unextinguished hope that a solution may yet be found. Our Government is giving these endeavors its fullest support.

Although this letter is somewhat lengthy, I hope it will prove helpful to you in facilitating understanding of these important questions. In particular I hope it will make clear the reasons why those of us who deal with these problems on a day-to-day basis feel strongly that no actions should be taken which will exacerbate tensions in the Middle East which are clearly harmful to the long-range interests of the United States, Israel, and the entire free world.

Sincerely yours,

———,
The Acting Secretary.

Mr. FULBRIGHT. To show how this amendment would affect other fields once it got started, I hold in my hand a copy of a letter from the Secretary of the Treasury, Mr. Robert B. Anderson. I realize that many people—most unfairly—have a prejudice against the State Department, but surely they have respect for the Secretary of the Treasury. I do not mean by that to imply that there is any reason for any different feeling. I have great respect for both of them. But this is what the Secretary of the Treasury has to say with regard to a similar amendment which the House committee has recommended with reference to the International Development Administration. Senators may think this is not pertinent, but it is, because this is an effort to inject into that field the same policy which has been injected into this legislation. I can see now that if this statement of policy is to be permitted to stand without qualification, the Senate will be told, within a few days, when the question of the International Development Association comes before us, "You adopted this declaration with regard to mutual aid. Certainly, to be consistent, you will have to adopt it with regard to the International Development Association."

I wish to read a few lines from this letter. I do not wish to detain the Senate too long.

Secretary Anderson says in his letter to the chairman of the Committee on Banking and Currency of the other body, of which a copy was sent to me:

> The amendment in question would prohibit IDA loans to a country which is impeding free navigation through international waterways.
>
> I believe that in all probability our choice is between an IDA based on the Articles of Agreement as they now exist, or no IDA at all.

I am reading only a portion of the letter. I ask unanimous consent to insert the entire letter as part of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington, D.C., April 29, 1960.

Hon. BRENT SPENCE,
Chairman, House Banking and Currency Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I would appreciate it if you would bring to the attention of the members of the Committee my views as to the effect on the establishment of the International Development Association of the proposed amendment to the authorizing legislation now before the Committee which would bar IDA financing to certain countries. The amendment in question would prohibit IDA loans to a country which is impeding free navigation through international waterways.

My considered opinion is that a qualification to the U.S. instrument of acceptance embodying this principle would not be acceptable to many prospective members and would necessitate a renegotiation of the Articles of Agreement of IDA. It is my further opinion, in view of the difficulties of negotiating the present document and in the light of some of the implications of the suggested revision, that the attempted renegotiation would not be successful. I believe that in all probability our choice is between an IDA based on the Articles of Agreement as they now exist, or no IDA at all.

I am sure that the IBRD-IDA management would regard any mandate to the IDA like the one under discussion as tending to compromise the basic principle which has been observed in the Bretton Woods institutions that the resolution of disputes of a political character among members should be left to the United Nations itself or to other bodies or channels. The effectiveness of the Bank and IDA as international financial organizations would be impaired if

they were to operate as political instruments or try to use their lending powers as a method of compelling enforcement of international obligations which are outside their province.

Certainly many of the member governments would also regard the proposed amendment in a similar way. These governments might well be prepared to reverse themselves and refuse their support for IDA. They have all joined the International Bank with the assurance that the United States agreed to the provisions in the Articles relating to the exclusion of political considerations, and they fully expect the provisions of the IDA's charter to be interpreted in the same way. They would be understandably reluctant to join IDA if it meant they were to be involuntarily drawn into political controversies by their participation in the organization's decisions.

The present Articles of Agreement represent a delicately balanced compromise among widely varying viewpoints, worked out laboriously over many months. To reopen negotiations on one point would invite the reopening of every other point at issue, if the United States, a prime mover in the entire IDA project, were to request a renegotiation of the Articles on a point not raised in the original negotiations. Several nations have already begun their legislative processes on the basis of the Articles as presently drafted. The difficulties and embarrassment of those governments at having to begin over with a new proposal are certain to be translated into resentment directed toward the United States.

It is, of course, for the Congress to decide whether or not it can accept the Articles as transmitted to governments by the Executive Directors. I do believe that the other governments are looking to the United States for leadership, and acceptance of the Articles by the United States without qualifying amendments is the surest method of inducing similar action in other countries. If there were to be legislative limitations on U.S. membership, the door would be open to similar provisions, some retaliatory, some pointed to other policy objectives, on the part of other countries. These would, in my view, destroy the integrity of IDA's basic document.

I am sure it is not necessary to review for committee members all of the reasons behind our support for IDA. I would like to reemphasize, however, how much it is in our own interest to see the successful establishment of this institution. IDA represents a major step in the urgent task of enlisting the resources of the advanced countries of Western Europe and elsewhere in a cooperative approach to providing the special financing required for the development of the less-developed world. We have long been alone in this endeavor, but we now have in IDA a chance to get others to join with us. We must not forgo this opportunity. Much time and effort have been invested in encouraging, persuading and inducing other capital-providing countries to adopt, sometimes in the face of strong opposition at home, what is for them a new line of policy.

There is also beginning to be a response to our efforts to seek an expansion of the bilateral aid efforts of other countries and an acceptance of the idea that others must play a larger role. We should not, under these circumstances, introduce a complication in the IDA proceedings which would require a renegotiation which might not be successfully carried out.

Very truly yours,

ROBERT B. ANDERSON,
Secretary of the Treasury.

Mr. FULBRIGHT. What Secretary Anderson is saying is that if this amendment remains in the articles of agreement, there will be no agreement.

The International Development Association originated from an idea or suggestion of the Senator from Oklahoma. It was considered by the Banking and Currency Committee, and later by the Foreign Relations Committee and the administration, over a period of 2 years. It is an effort to bring into the common development of the world all the highly industrialized nations, and it appears to be on the verge of success.

Mr. Anderson continues, to the effect that if such an amendment is injected into that agreement, there will be no IDA.

I am sure that the IBRD—

That is the Bank—

I am sure that the IBRD–IDA management would regard any mandate to the IDA like the one under discussion as tending to compromise the basic principle which has been observed in the Bretton Woods institutions that the resolution of disputes of a political character among members should be left to the United Nations itself or to other bodies or channels. The effectiveness of the Bank and IDA as international financial organizations would be impaired if they were to operate as political instruments or try to use their lending powers as a method of compelling enforcement of international obligations which are outside their province.

Certainly many of the member governments would also regard the proposed amendment in a similar way. These governments might well be prepared to reverse themselves and refuse their support for IDA. They have all joined the International Bank with the assurance that the United States agreed to the provisions in the articles relating to the exclusion of political considerations, and they fully expect the provisions of the IDA's charter to be interpreted in the same way. They would be understandably reluctant to join IDA if it meant they were to be involuntarily drawn into political controversies by their participation in the organization's decisions.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. FULBRIGHT. I ask for 5 additional minutes.

Mr. DIRKSEN. I yield 5 additional minutes to the Senator from Arkansas.

Mr. JAVITS. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I shall not read more from the letter of the Secretary. To sum up what the Secretary of the Treasury says it is that if the amendment is injected into the agreement, there will be no IDA.

I know that we have already acted in the Senate. I regret it very much. I am offering an amendment which in all earnestness I believe will tend at least to bring us back into an impartial attitude toward this unfortunate controversy which has existed in the Middle East since 1948.

It would be unfortunate if by our action we left the impression that we have no regard for the position of the opposition, so to speak, that is, the attitude of the Arab States. I realize the political significance of this matter. I do not have any Arab constituents; none of us does. There is, however, more involved than just whether or not the Arabs or the Israelis have more influence. This involves a matter of great importance to the continued interest of this country in international affairs, particularly in the Asian and Middle East and African world.

I submit it would be most wise if the Senate were to adopt this ameliorating amendment of the action we took the other day. I do not seek to change—I cannot seek to change—what we did, but I seek to do something which I believe will soften the effect of what we did.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. JAVITS. I should like to ask the Senator whether, in view of the fact that this is a "sense" resolution, he does not feel that if this stands, we would make more progress with respect to IDA than if it fails, because once we have expressed a sense to the President, that is all we can do, no matter how many times we express it in different bills.

Mr. FULBRIGHT. I do not know what the Senator means with respect to IDA. We will have to meet that situation when we come to it. The Secretary of the Treasury says that this kind of resolution would cause him to give up on IDA, that he could not get it accepted. I used IDA as an illustration only. I do not believe that Senators recognized how important this issue was when they voted on it on Thursday. I do not believe they realized the inflammatory and explosive nature of the sentiments which exist in the Middle East. Our policy, it seems to me, ought to be one of calming down that situation, in the hope that there may be some way in which these people can come back to negotiating their differences out of friendship. We should not say to these people, in connection with the aid program, "If you do not behave yourself, we will not give you any assistance." I think such an attitude would have just the opposite effect.

This is the considered opinion of the State Department, after consultation with representatives in the field. That is all I have to say about it.

Mr. JAVITS. Mr. President, will the Senator yield further?

Mr. FULBRIGHT. There is not one cent in this for Arkansas, and I apologize for taking so much of the Senate's time. [Laughter.]

Mr. JAVITS. Mr. President, will the Senator yield for one further question?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. I yield 5 minutes to the Senator from New York.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I am willing to do whatever is desired. I am willing to yield either to the Senator from Ohio or to the Senator from New York for a question.

Mr. JAVITS. I shall take the floor in my own right later.

Mr. FULBRIGHT. Mr. President, may I yield for a question before I sit down?

Mr. DIRKSEN. I yield 1 minute to the Senator from Arkansas.

Mr. LAUSCHE. May I ask the Senator to illustrate how the language contained in his amendment will balance

and make objective and impartial the position of the United States?

Mr. FULBRIGHT. Insofar as we were able to figure out this matter—and I can say that this was a very difficult question—representatives of the State Department and members of our staff, which is an excellent staff, struggled on this subject for some time. I call attention to the language on page 2 of the amendment, which reads "would in the judgment of the President constitute partiality by the United States relating to the merits of the cause advanced by any one of the antagonists."

Our feeling is that this is saying to the President that in administering the language in the Douglas amendment, he would administer it with due regard to an impartial attitude toward the merits of the controversy that exists between Israel and the Arab States. That is about the best we can do.

Mr. JAVITS. Mr. President, unfortunately, I was not present last week during the debate on this issue. I had to be in Europe on official business, and did not get an opportunity to participate in the debate.

I should like to address myself very briefly to the issue, and I hope that I may have the attention not only of the Senator from Arkansas but of all the proponents of the amendment, because I believe that if its meaning is spread on the record, the amendment can be of tremendous use to us in the consideration of the bill.

First, let me state that the question at issue is not partiality or impartiality in the conflict between Israel and the Arab States. The question is partiality or impartiality in connection with honoring international commitments in connection with transit through the Suez Canal. Let us not forget that Mr. Nasser blocked the canal in 1956 to the whole world, not just to Israeli shipping. We should also remember that he entered into an international commitment in 1956, when the United States came to his rescue, as the world knows, following the action at that time of the French and British and Israeli forces. Mr. Nasser, on behalf of his government, undertook the commitment that there shall be free transit through the canal without discrimination, overt or covert, and that the operation of the canal should be insulated from the politics of any country, especially his own country.

The United States is a great maritime power. It took a position that bailed out a very serious situation in which the Russians threatened to shoot rockets if the British and French and Israelis did not retire. Therefore, we have a very burning interest in the question of whether or not there is a violation of the principle established in international law by our country and by other maritime powers, particularly with respect to an international covenant undertaken by the Egyptian Government. If that covenant is violated with respect to a small nation, it can, and undoubtedly, if it suits the political purposes of those who control the canal, will be violated later in a larger way.

The fact is that the Government of Egypt considers itself in a state of war with the Government of Israel. There is no question about that. However, the situation is not helped by condoning a violation of international law or by condoning a violation of an international covenant.

I now ask the particular attention of the chairman of the committee, if I may. The amendment as it was adopted by the House, and as it was adopted by the Senate last week, is justified. The question is, what does the amendment do? What does it commit us to do? What change will be made by the amendment now suggested by the chairman of the committee?

First, let me say that the Senator from Arkansas [Mr. FULBRIGHT] is entitled to our greatest respect because there is no question about the objective of the amendment. I read from the debate as shown in the CONGRESSIONAL RECORD at page 8330, of April 29, where the Senator from Arkansas said:

> I do not think anybody in this body, or anywhere else, does not desire that the Suez Canal be opened for all shipping, including Israeli shipping; but I submit this is not the right way to do it.

In other words, we are all seeking the same objective.

I should like to ask the proponents of the amendment and the chairman of the committee: Am I not correct in believing that this amendment, as it stands, is strictly a precatory request to the President? It can be in the strongest language in the world. I am ready to agree that the language is strong. Perhaps it is overly strong, although I think provocation is at least as strong. Is it not a fact, as a matter of constitutional law, and following the tradition of our country, that no matter how tight or strong the language is, this amendment is no more than a request to the President? The President may, if he chooses, do nothing about it, and none of us can do anything about it.

Is it not also true, as a mater of fundamental constitutional law, that if we tried to do anything else, we would be violating the Constitution? The courts have held, time and time again, that the negotiation of foreign policy is absolutely in the hands of the President.

It seems to me that the only thing bothering the State Department is the provision at the end of the amendment which states that the President "shall report on measures taken by the administration to insure their application"; to wit, the principles which we request the President to adopt in this amendment, which the Senate and the House have already adopted.

I say advisedly, as a lawyer who has studied the Constitution, that the President of the United States could disregard that language completely. He does not have to give the Senate or the House any report at all. However, the President, being what he is, would not choose to do that, in my opinion. Nevertheless, there is nothing in this provision which requires him to give Congress a report in writing. He can send a Cabinet officer or another representative to the Committee on Foreign Relations and to the House Committee on Foreign Affairs. He can communicate in any way he chooses, either principally or by agent, to the chairman of the Committee on Foreign Relations and the chairman of the Committee on Foreign Affairs, and to the ranking members of those committees. He can do all that in executive session.

In short, the President, notwithstanding the amendment—and I invite Senators to concur in this statement, because it is very important, if this is sustained—what is being requested, which is in strong language, is that the set of principles and a certain act be effectuated. The President would be less than the President if he deeply felt that the national interest would be jeopardized or prejudiced by what we are asking. I have little doubt that he will not do that. Therefore, I do not see the danger in this. I see this virtue, that Congress is insisting upon principle.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. DIRKSEN. Mr. President, I yield 3 additional minutes to the Senator from New York.

Mr. JAVITS. Congress is insisting upon morality and upon the honoring of international commitments. Congress is asking our President to do everything he can within his power, and also within cautions, which he has as the head of the foreign relations of the United States, to try to carry them through.

As to the language itself, we can well understand that since the House adopted certain language in a manner which is quite as difficult as this one, it would be discerning on the part of the Senate to adopt exactly the same language; especially as it refers only to a request, a statement of what we believe should be done, but which the President will consider in the light of the overall national interest, as I explained a moment ago.

In view of that consideration—in which I deeply feel and hope the chairman and the proponents of the amendment will concur, so that the legislative history upon that subject will be very clear—I think the amendment now suggested by the Senator from Arkansas—who under the law, I believe, will find full protection for the State Department, and all its qualms—would only be compounding an already difficult situation in his own view. This is because his amendment provides—and I quote from line 9—that the President is required to determine and make a finding—the word used is "engaged." The President is required to make a finding that nations "are engaged in actions detrimental to United Nations efforts to maintain peace and stability."

It seems to me that that is exactly the kind of request which Congress would not wish to make of the President, because that would embarrass him far more than anything contained in the amendment.

Therefore, I sum up as follows: The Senate and the House have, in strong language, expressed themselves on the sanctity of international covenants and international law. The President has

complete discretion in terms of the national interest, as he sees it, over what he can do about that expression; and that even extends to the way in which he will report what he has done under this amendment.

Yet Congress is absolutely right in seeking to have the moral law enforced and in seeking to have international covenants complied with in so important a matter as free transit through a great international waterway.

I call the attention of Senators to the fact that there is a tyranny not only of strength; there is also tyranny of weakness. That tyranny can be just as damaging, just as harmful. In short, because Nasser heads a small power, a country which is not a great military power, that does not mean that he can be a pirate by the very use of his weakness.

Mr. DOUGLAS. Mr. President, will the majority leader yield me 5 minutes?

Mr. JOHNSON of Texas. I yield 5 minutes to the Senator from Illinois.

Mr. DOUGLAS. I submit that the argument of the Senator from Arkansas and the State Department rests upon a fundamental error. They contend that the question of Egypt barring entrance to the Suez Canal to Israeli shipping and other ships carrying cargoes to and from Israel, and the blacklisting of ships which have traded with Israel, involves purely a dispute between Egypt and Israel, and that, therefore, if we take any position in this matter, we are guilty of partiality.

This is not true, as the Senator from New York has pointed out. This is not primarily a dispute between Israel and Egypt. It is a case of one country, Egypt, having violated treaties, refusing to follow the rulings of the United Nations, and going back upon its own promises.

There was introduced into the RECORD on last Thursday a brief history of the Suez Canal. By the Convention of 1888, the Ottoman Empire, of which Egypt was then a part, guaranteed free movement through the Suez Canal. Then when Egypt barred Israeli ships and cargoes, following its attack on Israel in 1948, the Security Council of the United Nations declared in 1951 that that was in violation of proper terms, and demanded that Egypt allow free transit through the canal. The 1951 resolution specifically noted that the Suez restrictions and other sanctions applied by Egypt were damaging other nations not connected with the Palestine conflict.

Egypt refused to carry out this mandate of the United Nations, however, although Egypt was a member of the United Nations.

The dispute continued, and Egypt even extended the blockade to include the Gulf of Aqaba. Then, when the British troops were withdrawn from the canal and Egypt nationalized the canal, Nasser pledged, as one of the six principles, that there would be free transit for ships of all nations, and that there would be no interference with their movement, either openly or secretly.

It is certainly true that our State Department worked with Nasser to try to get his public acceptance of these principles, and there is no question as to what the international law is on this subject. But the record is also clear that Egypt has refused to go along with the mandate of the United Nations and has broken its own word. Mr. Hammarskjold has talked with Nasser, but has not been able to effect any change in his policies. Quite the contrary. In 1959 and 1960 the policy of Egypt has been far more aggressive in this matter than it was in 1957 and 1958.

Yet our State Department wrings its hands, and says, in effect, "Oh, yes. We stand for free access; but let us do nothing effective to bring it about." In the foreign aid bill and under surplus food programs, we actually increased the aid to Nasser for 1960 to come to an amount something like $100 million. And the U.A.R. obstructions to shipping have become worse.

The question simply is: Are we to continue having ineffectual conversations, or will we try to get more general acceptance of the principle that there are moral laws in the world, and that there is some obligation to follow the decisions of international bodies? I know there is a school of thought which says that moral and legal considerations should not guide the policies of nations. Apparently the State Department agrees that these factors should not prevail.

In effect, the State Department is saying that if we stand up for international law and if we attempt to insist on free transit, we may make Colonel Nasser angry, and that this would be a bad thing to do. The Senator from Arkansas in his remarks on Friday implied that the captive nations resolution with which some of us had something to do, last summer, and the effort to have the captive nations issue included in the forthcoming summit agenda, were similary not in the national interest. Although he did not say so, I suppose it follows logically that it would not be in the national interest, because it might make Mr. Khrushchev angry—as the resolution in fact did.

Mr. FULBRIGHT. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I prefer not to yield until I finish my remarks; then I shall yield.

Mr. President, I think we have before us the very simple question of whether or not we take these matters of international law seriously.

The PRESIDING OFFICER. The time available to the Senator from Illinois has expired.

Mr. JOHNSON of Texas. Mr. President, I am glad to yield additional time on the bill to the Senator from Illinois.

Mr. DOUGLAS. I have about concluded my remarks. I shall only take such time now as may be necessary to permit the Senator from Arkansas to ask the question he had in mind.

Mr. FULBRIGHT. Mr. President, the Senator from Illinois has made a great deal of the Egyptian violation of a mandate. Is it not a fact that the Israelis are in violation of a mandate in regard to settling the refugee question?

Mr. DOUGLAS. Now the Senator from Arkansas is bringing in another issue.

Mr. FULBRIGHT. Oh, no.

Mr. DOUGLAS. Let me say that I am perfectly prepared to vote for a resolution—if the Senator from Arkansas insists upon it—which will declare that we believe we should use our good offices to try to get the refugee question settled in an atmosphere of peace, and that as part of that peace settlement Israel should take back a reasonable number of the refugees. I am not here to attempt to whitewash the position of Israel on the matter of the refugees. I want to make that clear. But I think the Senator from Arkansas is trying to change the subject.

The measure which we adopted last Thursday has nothing to do with the boycott by individuals in New York Harbor or in Montreal. It has nothing to do with the International Development Association. It is confined solely to the question of administering our aid programs in a manner to assure free transit, under international law, and it is an effort to help end blockades and other economic warfare between recipients of our aid. It is therefore not only proper, but highly desirable.

Mr. MORSE. Mr. President, will the Senator from Texas yield 4 minutes to me?

Mr. JOHNSON of Texas. I yield 4 minutes to the Senator from Oregon.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as part of my remarks, the two amendments the Senator from Arkansas [Mr. FULBRIGHT] has had printed. One of them is the pending amendment, and the other deals with the refugee problem.

There being no objection, the amendments referred to, as submitted by Mr. FULBRIGHT, were ordered to be printed in the RECORD, as follows:

Amendment proposed by Mr. FULBRIGHT to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz: At the proper place insert:

"SEC. 2. Section 2 of the Mutual Security Act of 1954, as amended, which is a statement of policy, is further amended by adding at the end thereof the following:

"'(g) In giving effect to the principles expressed in subsection (f) above, the President should not normally regard them as applicable to a situation wherein two or more nations receiving assistance under this Act or surpluses under the Agricultural Trade Development and Assistance Act of 1954, as amended, are engaged in actions detrimental to United Nations efforts to maintain peace and stability, and application of the above mentioned principles would in the judgment of the President constitute partiality by the United States relating to the merits of the cause advanced by any one of the antagonists.'"

Amendment proposed by Mr. FULBRIGHT to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz: On page 18, end of line 13, insert the following:

"It is the sense of the Congress that the refugees wishing to return to their homes and live at peace with their neighbors

should be permitted to do so at the earliest practicable date, and that compensation should be paid for the property of those choosing not to return and for loss of or damage to property which, under principles of international law or in equity, should be made good by the governments or authorities responsible."

AMENDMENT NOT CONDUCIVE TO INTERNATIONAL HARMONY

Mr. MORSE. Mr. President, I rise to oppose the Fulbright amendment because it would not be in the interest of international harmony to call upon Israel to permit Arab refugees repatriation in advance of a peace settlement. Its adoption would fortify all Arab resistance to any comprehensive proposals for the resettlement of the Arab refugees. It would vindicate Arab insistence that Israel accept the primary responsibility for the refugee burden.

Numerous studies of refugee problems recognize that the solution lies in resettlement, not repatriation. The real solution for the Arab refugee problem is integration in the Arab countries. This was envisaged in U.N. Secretary General Dag Hammarskjold's report last year—a report which was sharply attacked by Arab leaders because it ignored the political demand for repatriation.

NO REPATRIATION WITHOUT PEACE

Senator FULBRIGHT observes that his proposal is the same as a declaration approved by the U.N. General Assembly, December 11, 1948, and subsequently reaffirmed by that body. But this resolution was one paragraph—No. 11—of that 1948 resolution, which, it should be emphasized, also "called upon the governments and the authorities concerned to seek agreement by negotiations conducted with a view toward the final settlement of all questions outstanding between them."

Thus, clearly, the General Assembly intended that any Arab repatriation would be within the context of Arab-Israel peace negotiations.

All the Arab States voted against the 1948 resolution because they were opposed to peace negotiations. Nevertheless, they always invoke paragraph 11, without any reference to the fact that the same resolution also called upon them to make peace. How can Senator FULBRIGHT select one section of the U.N. resolution, ask the Senate to accept it as a statement of U.S. policy, and completely ignore the U.N. call for peace?

THE PROPOSAL IS OBSOLETE

The statement is 12 years old. Although it has been reaffirmed because of Arab pressures at the U.N. the Arabs themselves have rendered the proposal obsolete because they have persisted in their war; they have refused to negotiate; and they have reared a new generation of Arab refugees indoctrinated with hostility. It would be suicidal for Israel to accept the return of an unlimited fifth column in advance of a peace settlement.

WHO KNOWS HOW MANY WOULD GO BACK?

Senator FULBRIGHT has argued that only a few refugees want to go back. But how does he know? Why should we expose Israel to such extraordinary peril?

In an article in America, the national Catholic weekly, Father Vincent S. Kearney, S.J., an associate editor, wrote on April 9, 1960:

> Nor is it reasonable to expect Israel to commit national suicide by opening her borders to a million potential enemies—the displaced Palestine refugees. Israel still protests it is ready to negotiate a settlement. We cannot know what Israel will propose, unless the opportunity is given it to meet Arab leaders face to face.

On May 19, 1957, Bishop James Pike wrote:

> The readmission of the Arab refugee population of Israel would be equivalent to the admission by the United States of nearly 71 million sworn enemies of the Nation.

THE ANALOGY OF THE REVOLUTIONARY PERIOD

What would Americans do under similar circumstances? During the American Revolution, many colonists fled to Canada, where they became the united empire loyalists. The British pressed our country to permit the loyalists to return. The U.S. Congress emphatically instructed our negotiators to reject repatriation.

On November 26, 1782, 4 days before the preliminary treaty was signed, Benjamin Franklin wrote Richard Oswald, the British negotiator:

> Your ministers require that we should receive again into our bosom those who have been our bittrest enemies, and restore their properties who have destroyed ours; and while the wounds they have given us are still bleeding.

THE U.N. EMPHASIS CHANGED AFTER THE 1948 RESOLUTION

It would be a step backward for the Senate to associate itself with a repatriation demand made in 1948. Such action would ignore the fact that subsequent U.N. resolutions beginning in 1950 have spoken of "the reintegration of the refugees in the economic life of the Near East, either by repatriation or resettlement."

PAST CONGRESSIONAL FINDINGS

Spokesmen for our own Government and virtually every congressional report have stressed resettlement.

On August 26, 1955, Secretary of State Dulles announced America's willingness to lend Israel funds, to enable her to pay compensation and thus facilitate resettlement.

A special study mission of the House Committee on Foreign Affairs declared, in the Smith-Prouty report, in 1953:

> The United States should serve notice that it will not support the return of the Arab refugees to their former homes within the boundaries of Israel under existing conditions.

In a special report of the Senate Foreign Relations Committee, on June 28, 1957, the Senator from Minnesota [Mr. HUMPHREY] declared:

> Resettlement in Arab lands with compensation for property left in Israel is, in fact, the only effective and realistic way of solving the the Arab refugee problem. The fact is that the Arab States have for 10 years used the Palestine refugees as political hostages. Nothing has been done to assist them in a practical way lest political leverage against Israel be lost.

A special study mission to the Near East, of the House Committee on Foreign Affairs, on February 25, 1954, said:

> The objective should be for refugees to become citizens of the Arab states and, if necessary, they should be made wards of the Arab governments pending their admission to citizenship.

In 1953, a subcommittee of the Senate Committee on Foreign Relations, headed by the late Senator Robert A. Taft, and including Senator FULBRIGHT, held hearings on the refugee question. It did not recommend that Congress endorse the Arab demand that Israel accept the right of the refugees to come back. The subcommittee said it did not feel that—

> It could pass on the feasibility of resettlement in Israel, except to say that such a solution could not handle more than a small proportion of the total number. The subcommittee feels that, apart from any action taken by Israel, the Arab states should develop definite proposals for refugee self-employment and rehabilitation outside of Israel.

It went on to say that—

> The subcommittee does not believe that the Arab nations can escape responsibility to their fellow Arabs by failing to cooperate fully with the U.N. in projects designed to settle refugees.

A special study mission of the House Committee on Foreign Affairs declared, in May 1958, that—

> Unlike refugees in other parts of the world, the Palestine refugees are no different in language and social organization from the other Arabs. Resettlement, therefore, would be in familiar environment.

This committee consisted of Representatives HAYS, O'HARA, and CHURCH.

THE DEMOCRATIC PLATFORM

The platform adopted by the Democratic Party in 1956 said:

> The plight of the Arab refugees commands our continuing sympathy and concern. We will assist in carrying out large-scale projects for resettlement in countries where there is room and opportunity for them.

Millions of refugees have been resettled since the war—none by repatriation. In November 1957 the Carnegie Endowment for International Peace published a study on refugee problems, prepared by Dr. Elfan Rees, advisor on refugees to the World Council of Churches, which declared:

> No large-scale refugee problem has ever been solved by repatriation.

ISRAEL'S OFFER

Israel has repeatedly offered to pay the Arab refugees compensation for their abandoned property and to negotiate all issues in dispute. On November 17, 1958, the Ambassador of Israel told the United Nations:

> We do not exclude an extension of the uniting of families scheme under which many former Arab residents already have come back to Israel territory.

The present Arab population in Israel is already more than 200,000.

Manifestly, there must be direct peace negotiations before any progress can be made.

Mr. President, for the reasons I have here set forth, the Fulbright amendment should be rejected.

Mr. President, I wish to summarize my position by extending my very high compliments to the Senator from Illinois [Mr. DOUGLAS] who just now has made a very brilliant argument in regard to the international law principles involved in this case.

I wish to state that, once again, the Senate has before it the question of whether it will go on record in support of trying to strengthen a system of international justice through law, or whether it will again bend at the knees, at the dictates of some totalitarian nations, and to the State Department, which seems to think that whenever we seek to establish the principle of insisting upon the application of international justice through law, the Russians are "going to get us if we don't watch out."

I think the time has come for us to make perfectly clear to the Arab countries that we are not going to be blackmailed by them any longer, whether because of oil or because they might go over to the Russians or because they might go to war. If they want to go over to the Communists, let them go over and boil in that Communist oil for a while, and see how they like it.

I have never been moved by the argument that the Russians will take over the Middle East if we do not continue to support the dictatorial policies of certain Arab leaders.

The fact still remains that the Arab leaders are threatening to destroy the only free nation in the Middle East as soon as they think they are strong enough to do so, and we are being asked to continue to support such totalitarianism.

When are we going to stop supporting such a policy, which always boomerangs against us?

Consider what happened in recent weeks because we did not insist upon international law principles and did not insist that dictatorial nations stop following courses of action which increased the dangers of war.

There is no question about the fact that these Arab nations refused to negotiate a peace and refused to proceed through the United Nations. The record is perfectly clear that the United Nations time after time notified the Arab nations that it was willing to negotiate a peace.

We are seeking to make clear, through the United Nations, to both Israel and the Arab countries, that we expect both of them to follow peaceful procedures, as the Senator from Illinois [Mr. DOUGLAS] has so eloquently stated.

So, Mr. President, I am not at all moved by the arguments of the Senator from Arkansas [Mr. FULBRIGHT], the chairman of the committee on which I have the honor to serve. I am not at all moved by the argument that those of us who are standing for a system of international justice through law are playing politics with this issue. It is time for the Senate to stand firm on the resolution it agreed to last Thursday, and not modify it one iota, but make perfectly clear to the Arab states and also to Israel that we think the time has come for them to stop their threatening positions in the Middle East, and to submit these issues to an international tribunal, for determination.

Every question involved in this controversy is susceptible of determination—as the Senator from Illinois has pointed out—by international tribunal processes.

I think one of the best assurances we can obtain for an end to the kind of international blackmail politics being used against us in the Middle East is to stand firm on the amendment we adopted the other day.

Mr. KEATING. Mr. President——

Mr. DIRKSEN. Mr. President, I yield 5 minutes on the bill to the Senator from New York [Mr. KEATING].

The PRESIDING OFFICER. The Senator from New York is recognized for 5 minutes on the bill.

Mr. KEATING. Mr. President, when we read this proposal of the Senator from Arkansas, we find that it is only an effort to negate and nullify the action the Senate took on the freedom of the seas amendment. It cannot masquerade as anything else.

The amendment of the Senator from Arkansas says, in effect, that the freedom of the seas shall apply to everything except the Suez Canal. That would be like adding to the civil rights bill a provision that "Provided, however, this bill shall not apply to Negroes."

Picketing has nothing to do with this issue. The boycott in New York has nothing to do with this issue. All those are smokescreens thrown out in an effort to nullify the action the Senate took last Thursday.

The distinguished Senator from Arkansas characterized this amendment, when he offered it, as "only a very modest effort to bring the language which was put in the bill—into a better perspective."

"Modest," indeed. "Better perspective," indeed.

I would prefer to call it a gigantic effort to put into oblivion or innocuous desuetude the action the Senate already has taken.

I agree with my colleague that it would be ony a statement of the sense of the Congress. But there is no compromising on the principle of free navigation of international waterways. We could not do what the distinguished Senator calls modest things with that basic concept. We could not temporize or place in what the Senator from Arkansas calls better perspective than principle.

That is why this amendment, which seeks indirectly to negate the amendment the Senate adopted last week, should be rejected.

This amendment would, indeed, invite the President to ignore the previous amendment, precisely in the place where it should be applied, namely, in international disputes involving blockades and boycotts.

To reverse the action the Senate took on Thursday, adopting this amendment, could very well serve as a green light to Colonel Nasser and his fellow highwaymen to continue their high-handed tactics. It would be an outright retreat from our country's oft-stated dedication to free navigation in international waterways. It would cut off an effective means for this country to protest the U.A.R.'s acts of international piracy.

The action the Senate took last week in adopting that amendment was not the first action taken by the Senate in maintaining that position. The pending amendment would be an attempt to avoid any protest against economic warfare actions in that area by the United Arab Republic.

The Senator from Arkansas has had some rather harsh things to say about those of us who supported that amendment. In effect, he has said that we are yielding to efforts by pressure groups, and that we are not acting on the basis of principle. Well, Mr. President, if yielding to pressure means raising one's voice in defense of the things in which one believes, there is indeed pressure, and justifiable pressure in the present instance.

I hope the Sentaor would not prefer "acquiescence groups" to pressure groups when a matter of great principle is involved. There have been pressure groups, all through the history of America, that have accomplished very effective and worthwhile actions.

Mr. President, the motives and considerations of those who supported the amendment we passed, although they have been questioned, are pure, and they are not properly subject to the attacks that have been made upon them by our distinguished friend from Arkansas.

I am perfectly willing to frankly admit my reasons for joining as a sponsor of this freedom-of-the-seas proposal.

Let me state very unblushingly at the outset that I yield to no man in my admiration of the noble State of Israel and her perservering and dedicated people. I have been in that land a number of times. I have seen how, in 12 short years a teeming oasis of progress has been erected by human courage, indomitable will, and dedicated energy in a vast desert of hostility, of obstacles, of frustration.

I have seen in Israel a kind of redramatization in history of the great struggle which created our own United States. I have felt a spiritual identity that links America with Israel as comrades in the history of freedom. I found there the same yearning, the same impatience to create, to advance, to make frontiers only to trample them down in the march to new levels of achievement. I discovered in Israel human dignity in every face—the self-respect of when who know their rights, the pride of men who know their strength.

That is why I believe in Israel. That is why I have faith in her ultimate victory, in her high destiny. This dynamic nation cannot be contained or thwarted by tyranny. She represents the wave of the future, and the waters of the past must recede before it. Hatred is not a way of life. It is a denial of life—and it is foredoomed to failure, to defeat.

But in her struggle for progress and for stability, Israel needs our help and encouragement. She needs to be reassured that she is not alone in her effort to make peace with her neighbors and to live in tranquility. That is why it is so important that we retain the

freedom-of-navigation amendment unfettered in this bill.

But there are additional motives which prompted me to back this amendment, Mr. President. Just as I yield to no man in my admiration for Israel, so I yield to no man in my dedication to the preservation of principles of international law. We must maintain our traditional American backing for freedom of international waterways and for international economic cooperation.

Faith in these basic concepts of international life and willingness to stand up and be counted in favor of them, willingness to fight for their preservation—these are essential in the free world's effort to build a safe, secure and peaceful world.

If we are to remain true to our traditions, we must give voice to America's belief in freedom of the seas. It will indicate clearly to the United Arab Republic and any others who would tamper with this principle that we mean business and we mean to back up our pious statements with positive action.

Mr. President, in connection with this amendment there has also been a lot of talk about minority groups, about pressure groups and about lobbies who are working for the freedom of the seas amendment. I freely admit to being a lobbyist for this amendment. I freely and proudly admit to being a lobbyist in favor of upholding principles of international law. I freely and proudly admit to being a lobbyist working very actively to put the Senate on record as favoring freedom of navigation in international waterways.

Far from fearing the effects of such lobbying, I fear the effects if our Nation is ever deprived of those who will lobby for what they believe is morally and legally right. I fear the day when Senators will not rise in this Chamber to fight for principles of moral right and for principles that are the warp and woof of international law. I fear the day when the United States abdicates its traditional role as champion of the principles of international law. Let us not today cast votes which would in any way constitute an erosion of our strong heritage in this field.

The amendment we adopted simply puts a little steel into the pious statements we have time and time again made about protecting the freedom of international waterways. It says that while protests, accusations, and oratory about Colonel Nasser's arrogant acts of piracy are fine, they are not enough. It says that such talk merely whispers in freedom's name where shouts are needed, where positive counteraction is called for. We should not back down from that position.

The amendment we adopted is an emphatic statement to those who would not play the rules of the game in international life that we insist that they do so. It informs Colonel Nasser that he is now in the international big leagues. When he tampers with free traffic through the Suez Canal he is not fooling around in his own private waterway—he is obstructing an international body of water which, under clear principles of international law, must be open to transit by all nations. If Colonel Nasser wants to play in the big leagues, he must abide by the big-league rules. The amendment we adopted Thursday calls that fact of life to his attention and gives bread-and-butter meaning to the repeated protests of the United States and the United Nations on this issue of UAR blockades, boycotts, and general obstructionism.

It seems to me we should not retreat from the action which we took last Thursday, and we should vote down the amendment offered by the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. KEATING. Yes.

Mr. FULBRIGHT. Would the Senator be willing to support my other amendment which is an adaptation of the United Nations resolution with regard to refugees?

Mr. KEATING. Of course, it has nothing to do with the problem before us now, but I will say, as to that amendment, the distinguished Senator, in offering it, did not follow fully the language of the 1948 resolution of the General Assembly of the United Nations as to refugees, from which much of his language is drawn. He left out of it, whether by design or otherwise, a very important part of that resolution, which also "called upon the governments and the authorities concerned to seek agreement by negotiations conducted with a view toward the final settlement of all questions outstanding between them." In other words, the General Assembly very clearly intended that any Arab repatriation would be within the context of Arab-Israel peace negotiations.

I shall be happy to consider that amendment when the Senator offers it. I do not think it is pertinent at this time. But I do object to the Senator from Arkansas putting in only part of the story, as he has in that amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON of Texas. Mr. President, I move to lay the amendment of the Senator from Arkansas on the table.

Mr. FULBRIGHT. Mr. President, I ask for the yeas and nays.

Mr. ALLOTT. Mr. President, a parliamentary inquiry.

May I ask——

Mr. JOHNSON of Texas. I made a motion to lay on the table the amendment of the Senator from Arkansas.

The PRESIDING OFFICER. The yeas and nays have been requested.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the amendment of the Senator from Arkansas. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MONRONEY (when his name was called). On this vote, I have a pair with the senior Senator from Minnesota [Mr. HUMPHREY]. If he were present and voting, he would vote "yea"; if I were permitted to vote, I would vote "nay." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. JACKSON], the Senator from Ohio [Mr. YOUNG] are absent on official business.

The Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent. If present and voting, the Senator from Washington [Mr. JACKSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Ohio [Mr. YOUNG] would each vote "yea."

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], would vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from Wisconsin [Mr. WILEY] is detained on official business.

The Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Nebraska would vote "nay."

The result was announced—yeas 45, nays 39, as follows:

[No. 186]

YEAS—45

Allott	Fong	Morse
Bartlett	Gruening	Moss
Beall	Hart	Murray
Bible	Hartke	Muskie
Bush	Javits	Pastore
Butler	Johnson, Tex.	Prouty
Byrd, W. Va.	Keating	Proxmire
Cannon	Kefauver	Randolph
Carroll	Kerr	Saltonstall
Case, N.J.	Kuchel	Schoeppel
Church	Long, Hawaii	Scott
Clark	McCarthy	Smathers
Dodd	McNamara	Smith
Douglas	Magnuson	Williams, N.J.
Engle	Mansfield	Yarborough

NAYS—39

Aiken	Ervin	Long, La.
Bennett	Frear	Lusk
Brunsdale	Fulbright	McClellan
Byrd, Va.	Goldwater	McGee
Carlson	Gore	Martin
Case, S. Dak.	Green	Mundt
Cooper	Hayden	Robertson
Cotton	Hennings	Russell
Curtis	Hickenlooper	Stennis
Dirksen	Holland	Talmadge
Dworshak	Johnston, S.C.	Thurmond
Eastland	Jordan	Williams, Del.
Ellender	Lausche	Young, N. Dak.

NOT VOTING—16

Anderson	Humphrey	Sparkman
Bridges	Jackson	Symington
Capehart	Kennedy	Wiley
Chavez	Monroney	Young, Ohio
Hill	Morton	
Hruska	O'Mahoney	

So the motion of Mr. JOHNSON of Texas to lay on the table Mr. FULBRIGHT'S amendment to the committee amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. FULBRIGHT. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1322, H.R. 11510.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H.R. 11510) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arkansas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. FULBRIGHT. Mr. President, I move to strike out all after the enacting clause and to insert the language of the committee amendment to S. 3058, as amended, in lieu thereof.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arkansas.

Mr. DOUGLAS. Mr. President, will the Senator from Arkansas respond to a question?

Mr. FULBRIGHT. I yield.

Mr. DOUGLAS. Do I correctly understand that the Senator from Arkansas is now trying again to eliminate the language which the Senate has adopted?

Mr. FULBRIGHT. No. This is the customary procedure. After we perfect the Senate bill, we substitute the language of the Senate bill for the House bill.

Mr. DOUGLAS. As adopted by the Senate?

Mr. FULBRIGHT. As adopted by the Senate. That is what I asked.

Mr. DOUGLAS. I thank the Senator from Arkansas.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arkansas.

The motion was agreed to.

The PRESIDING OFFICER. If there is no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on passage of the bill.

The yeas and nays were ordered.

Mr. CASE of South Dakota. Mr. President, will the Senator yield me 1 or 2 minutes?

Mr. DIRKSEN. I yield 2 minutes to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I do not know that I really need 2 minutes. I merely wish to go on record as expressing regret that the Senate has seemingly voted, by tabling the Fulbright amendment, to convert the Mutual Security Act into a weapon of unilateral economic sanctions as a substitute for concerted international action by the United Nations. That runs counter to the position so eloquently and effectively presented by President Eisenhower at the Assembly of the United Nations during the Middle East crisis in 1958.

The tenor of the amendment offered by the Senator from Arkansas merely proposed that if the President felt unilateral action by him under the terms of the Douglas amendment, agreed to last week, would interfere with efforts by the United Nations designed to maintain peace and stability he could refrain from applying the amendment. I regret that it was tabled. Mr. President, I think it is unfortunate today if we have developed in the world such a theory of dollar diplomacy that our foreign aid program is to be looked to as a substitute for the decisions of and action by the United Nations.

Mr. President, I express the earnest hope that the Secretary-General of the United Nations will continue his efforts to effect a solution of the problems in the Middle East—and I include the refugee problem along with the use of the Suez Canal.

Mr. SALTONSTALL. Mr. President——

Mr. DIRKSEN. Mr. President, I yield 3 minutes to the distinguished Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, I should like to invite the attention of the Senate to the fact that I think it is extremely important to know how the so-called Douglas amendment, which the Senate adopted is to be interpreted. For the purpose of interpretation, I invite the attention of Senators to section 113 of the Mutual Security Appropriations Act of last year, Public Law 86-383. Section 113 of that act provides:

> SEC. 113. It is the sense of Congress that any attempt by foreign nations to create distinctions because of their race or religion among American citizens in the granting of personal or commercial access or any other rights otherwise available to United States citizens generally is repugnant to our principles; and in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this Act, these principles shall be applied as the President may determine.

Those words were drafted by the State Department. I worked very hard in drafting them, with other Members of this body who were advocating the same general statement that is embodied in the Douglas amendment, which has been inserted in the bill. I call attention to those words because of the necessity of the President and the State Department putting an interpretation upon them.

The only difference between those words and the language the Senate has adopted is that they relate to different subjects. One relates to the question of citizens of various races, and the other relates to a boycott negating the purposes of the Mutual Security Act.

The only difference in the language is that under the Douglas amendment the President shall report on measures taken by the administration to insure its application. Those words are not in section 113 of the act of a year ago.

I think it is very necessary that we give the President and the State Department the opportunity to function, by making it clear to them how they are to make the report to the Senate or to the Appropriations Committees. As I see it, that may be done verbally. It may be done in writing to the chairmen of the various committees, without going further, or, of course, it could be made to the full committees. But it is important that that point be made clear, because of any negotiations which the President or the State Department may be conducting in the various countries.

We do not wish to interfere with the executive department in its negotiations with other countries. We leave it up to the President to determine when he is to give aid, with relation to the two provisos which we have inserted. We then leave it to him, after he has made his determination as to how he is going to give the aid, to determine how he is going to report to the Congress.

I hope we may it clear that the report to the Congress should not in any way make it more difficult for the President to conduct negotiations with relation to the various countries when he is determining how the Mutual Security Act shall be administered. I say that because of the fear on my part that a formal report to the Congress might negative much of the executive department actions in this very difficult area in the Near East.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. JAVITS. I am delighted to hear the Senator's statement. I tried to say the same thing myself.

Is it not a fact that, as a matter of constitutional law, the request of the President for a report could have no greater authority than the substantive statement of the principle itself, already contained in the amendment? We all agree that that is a request of the President, no matter how strong the language.

Mr. SALTONSTALL. That is the way I interpret it, and the way I want to see it interpreted.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. AIKEN. Does the Senator mean that if the President chooses to make an oral report to the Members of the Senate at a Friday morning breakfast, that will be compliance with the law?

Mr. SALTONSTALL. I should say it is entirely within his province, under the language we have just adopted, to determine how that report should be made, and to whom it should be made.

Mr. AIKEN. Does that mean that the President is not bound by the Douglas amendment, which has been approved by the Senate, and which is also in the House bill, I believe?

Mr. SALTONSTALL. Of course.

Mr. AIKEN. In what way?

Mr. SALTONSTALL. It is a precatory request by the Congress for the President to do certain things which, in his judgment, he should do under the terms of the resolution.

Mr. AIKEN. Does not the resolution request the President to withhold aid from any country we are helping which

carries on economic warfare against another country?

Mr. SALTONSTALL. If he shall so determine.

Mr. AIKEN. But he can do as he pleases about so determining.

Mr. SALTONSTALL. Exactly.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from Oregon.

Mr. MORSE. Mr. President, I do not wish to leave the legislative history in the state in which the Senator from Massachusetts has left it. I think his remarks make confusion more confounded.

I think it is perfectly obvious that it is expected that the President will act in good faith and file with the Congress a written report setting forth the reasons for his course of action. That is the procedure we follow in connection with sense-of-the-Senate resolutions, and I think it is equally applicable in this case.

Mr. LONG of Louisiana. Mr. President, will the Senator yield 2 minutes?

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from Louisiana.

Mr. LONG of Louisiana. For a number of years, as one Senator I have complained that there has been a great deal of mismanagement and waste in connection with the program. Before we vote, I believe it would be well to recall a story of April 28, last Thursday. I read from a U.P.I. story appearing in the newspapers of that date:

> One of the first public statements of Acting President Huh Chung was aimed at what he called waste and mismanagement in the U.S. Korean aid program. Simultaneously, the United States held up approval of new economic aid until South Korea gets back to normal and some new conditions are met.
>
> One of the factors contributing to last week's "Bloody Tuesday" climactic moment of the riotous demonstrations in the wake of the March 15 elections, was a charge of corruption in the use of U.S. aid funds. Rhee's critics said some of the $200 million a year of U.S. aid went to help Rhee supporters.

The article further states:

> Speaking of relations with the United States, Huh said some unsatisfactory areas need correction. These include, he said, waste and mismanagement in administration of U.S. economic and military aid. Some of the U.S. aid money has gone to develop industry, some to support the Republic's budget.

Oddly enough, apparently one of the principal causes of the overthrow of the government appears to have been local dissatisfaction with the mismanagement of the $200 million a year we have been spending there. Apparently it has been mismanaged, and has gone into the pockets of private individuals. The same thing is happening in many places throughout the world.

Until I feel come confidence that we have at least made a good start toward preventing that sort of thing, I do not expect to vote for this type of foreign aid bill.

Mr. DWORSHAK. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. Mr. President, I yield 4 minutes to the distinguished Senator from Idaho.

Mr. DWORSHAK. Shortly after World War II, when our Government initiated the foreign aid program, Paul Hoffman, the first administrator, gave assurances that the program would be continued for only 3 or 4 years, and would cost probably about $12 million to $14 million. In the intervening years we have spent about $90 billion for the ostensible purpose of creating friends and engendering good will everywhere around the globe. We know what the result has been. We are losing friends and making enemies everywhere.

I was shocked earlier today when the distinguished chairman of our Foreign Relations Committee said that crises exist everywhere we look—in Korea, in Turkey, and in the Caribbean. If we have accomplished anything worthwhile with these very generous expenditures of our American dollars, where are the results? Where is there any evidence that we are making progress?

I wish I had the time to point to some of the glaring inconsistencies which appear in the report submitted by the committee on this bill. On page 7 the committee says:

> As reflected in the hearings (pp. 328–329, 331, and 336–337), the committee was gravely concerned over the situation in Korea prior to the most recent and serious outbreak of rioting. Although, as stated, the committee sees no presently acceptable alternative to continuing the aid program in Korea, the recent events in that country raise a question, which is of wider application, as to the long-term effectiveness of an aid program conducted in the absence of an atmosphere of expanding basic freedoms.

Then, after pointing out the lack of progress and the impotency and the ineffectual results, the committee also made this comment, at page 5:

> Large sums of money and a sense of urgency have increased the probability of mistakes, and it should not be a cause for wonder that mistakes have in fact been made. So far, however, we have managed to summon the requisite combination of faith and persistence to avoid making the worst mistake of all, which would be to quit trying.

So, Mr. President, this very fine committee which handles foreign relations legislation admits the ineffectual operation of the program, and then says it would be a tragic mistake to terminate it. By implication it says that we must accept the mismanagement and blunderings which have been inherent throughout this program.

I remember a few years ago that this same committee made a survey and study of the foreign aid program, in the hope that something might be done to correct some of this mismangement and blundering.

I have joined many of my colleagues in contending that we ought to make a reappraisal of the program. We can do no less. If we recognize the impotency of the program and if we want to succeed, what is wrong with attempting to make a reappraisal of the program?

During the past few months our Appropriations Committee has been holding very interesting hearings on the defense budget of about $40 billion. We are told we need more planes and missiles and we need to modernize our Armed Forces. At the same time some of the exponents and supporters of the foreign aid program say, "That is not essential, because we have farflung allies all over the world who have been receiving these billions of dollars and who are prepared to stand up and defend us on the farflung potential battle fronts."

I shall not labor the point, but I appeal to my colleagues and say that at some time we ought to have the courage and determination and the perseverance to do something to make this program at least partially successful with respect to its constantly being expanded, instead of adding to the inflationary forces, with the possibility that ultimately we will be confronted with the insolvency of our Government, and then at some psychological time we will face the aggression of the Soviets. At that time we will stand alone and wonder where our allies are going to help us. No one in the Senate fails to realize that we will stand alone whenever we face that aggression by the Soviets.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from Arkansas.

Mr. FULBRIGHT. I wanted to comment with regard to the statement of the Senator from Louisiana [Mr. LONG] that this aid has caused corruption in Korea. If this is the cause of corruption, then Israel ought to be the most corrupt of all nations, because the total of our aid—Government aid, not private aid—has been $310,304,000 for a population of approximately 2 million.

It is estimated that private sources have provided—and these amounts are tax exempt for those who give them—approximately the same amount.

During this same period UAR has had $67,194,000, for a population of 25.3 million people.

With regard to the comment of the Senator from Idaho [Mr. DWORSHAK], I would only remind him that the administration of his program is in the hands of his party. If he thinks it is so bad, perhaps there ought to be a change of administration, so that we can improve the quality of the administration of the program.

Originally the Marshall plan was initiated under the administration of a very well-known Republican, Mr. Paul Hoffman. I think he did a very good job. The program was passed originally in a Republican Congress.

I do not wish to labor the partisan aspect of it, because Democrats have supported it, too. However, with regard to the Marshall plan I believe it is well known that Europe is back on its feet. It is so well on its feet that many people have complained about its competition infringing upon our markets. It has been extremely successful. Many of the difficulties of administration are due to amendments and restrictions which have been put upon the administration by this body and by the other body.

Mr. DWORSHAK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. I yield 1 minute to the Senator from Idaho.

Mr. DWORSHAK. Mr. President, the Senator from Idaho is also aware of the fact that while we have had a Republican Executive, for the past 6 years we have had a legislative branch controlled by the Democratic Party.

I am not critical of my colleagues on the other side of the aisle, because many of them have fought vigorously against this program at all times. However, I am pointing out that there is a general responsibility on the part of the legislative branch, and we cannot avoid or escape in any way the full responsibility for the inevitable failure of this program.

The PRESIDING OFFICER. The question is on the passage of the bill.

Mr. DIRKSEN. Mr. President, I propose to take 2 or 3 minutes. Then I shall yield back the remainder of the time and will be prepared to vote.

I point out, with respect to the overall program, that 173 years ago some men met up in Philadelphia, and one of the last things they did, after they finished writing the Constitution, was to write the preamble to it. It almost got lost in history. But they said in the preamble that one of the purposes for ordaining the Constitution was to provide for the common defense.

It was not great problem in 1814 when the British burned this wing of the Capitol. It was no great problem in 1847 when we had a controversy with Mexico. It was no great problem when we went to the rescue of an island people against the butcheries of a Spanish general.

But when we got to World War I and World War II, then the common defense took on an expanded periphery and an expanded function. It is now a line which is 20,000 miles long. We do not fight alone with weapons. We fight in the economic and political and social fields as well. We fight not only with guns, but we fight also with credit.

This bill and its transformation year after year in this annual struggle is a testimony to the fact that one of the greatest forces in the unfolding of the country is the revisionism that is so necessary to keep abreast of the problems and the needs and of what we shall do.

At least one good thing has come out of this discussion with respect to the Douglas amendment. I wish my good friend from New York [Mr. JAVITS] would give ear to this. We have discussed it a good deal. I think the size of the vote on the motion to table is probably one of the best manifestations I know of that there has been concern and apprehension in the Senate with respect to the inclusion of language that might be regarded as unilateral in character, for one thing, and could conceivably be misconstrued and misinterpreted in other areas of the world.

I think this vote in itself will sound a note of caution, and I believe we have a right to interpret it in that fashion. So I say that is one good thing that has come out of the discussion, even though the amendment offered by the distinguished chairman of the Committee on Foreign Relations was not adopted.

So all in all I think it has been a craftsmanlike job that has been done. I am content to leave it there and vote for the bill, in the hope that whatever refinements are necessary, if any, they can be made by interpretation, but that otherwise the work of the common defense can go on.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JAVITS. I simply wish to note that when the Senate adopted the amendment proposed by the Senator from Oregon and me to the appropriation bill which was referred to by the Senator from Massachusetts [Mr. SALTONSTALL], such qualms were also expressed. Since then, the State Department has been pressing forward and has sought reports from all its posts around the world. We have not been unreasonable about it. I think the Senator is absolutely correct when he says that these signposts, given us by the size of the vote, will be just as effective in this instance as they were in the case of the so-called Morse-Javits amendment.

Mr. DIRKSEN. I thank the Senator from New York.

Mr. President, I yield back the remainder of my time.

Mr. JOHNSON of Texas. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on the passage of the bill. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. JACKSON], the Senator from Montana [Mr. MURRAY], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

I further announce that the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MURRAY], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Ohio [Mr. YOUNG] would each vote "yea."

On this vote, the Senator from Missouri [Mr. SYMINGTON], is paired with the Senator from Wyoming [Mr. O'MAHONEY]. If present and voting, the Senator from Missouri would vote "yea," and the Senator from Wyoming would vote "nay."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Washington [Mr. JACKSON]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Washington would vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from Wisconsin [Mr. WILEY] is detained on official business.

The Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Nebraska would vote "nay."

I further announce that, if present and voting, the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Wisconsin [Mr. WILEY] would each vote "yea."

The result was announced—yeas 60, nays 25, as follows:

[No. 187]

YEAS—60

Aiken	Fong	McNamara
Allott	Fulbright	Magnuson
Bartlett	Gore	Mansfield
Beall	Green	Martin
Bennett	Hart	Monroney
Bush	Hartke	Morse
Butler	Hayden	Moss
Cannon	Hennings	Mundt
Carlson	Hickenlooper	Murray
Carroll	Holland	Muskie
Case, N.J.	Javits	Pastore
Case, S. Dak.	Johnson, Tex.	Prouty
Church	Keating	Proxmire
Clark	Kefauver	Randolph
Cooper	Kuchel	Saltonstall
Cotton	Lausche	Scott
Dirksen	Long, Hawaii	Smathers
Dodd	Lusk	Smith
Douglas	McCarthy	Williams, N.J.
Engle	McGee	Yarborough

NAYS—25

Bible	Frear	Russell
Brunsdale	Goldwater	Schoeppel
Byrd, Va.	Gruening	Stennis
Byrd, W. Va.	Johnston, S.C.	Talmadge
Curtis	Jordan	Thurmond
Dworshak	Kerr	Williams, Del.
Eastland	Long, La.	Young, N. Dak.
Ellender	McClellan	
Ervin	Robertson	

NOT VOTING—15

Anderson	Hruska	O'Mahoney
Bridges	Humphrey	Sparkman
Capehart	Jackson	Symington
Chavez	Kennedy	Wiley
Hill	Morton	Young, Ohio

So the bill (H.R. 11510) was passed.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. KUCHEL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate insist on its amendment, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. FULBRIGHT, Mr. GREEN, Mr. SPARKMAN, Mr. WILEY, and Mr. HICKENLOOPER conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, Senate bill 3058 will be indefinitely postponed.

NOMINATION OF MAJ. GEN. THOMAS A. LANE TO BE PRESIDENT OF THE MISSISSIPPI RIVER COMMISSION

Mr. STENNIS. Mr. President, I should like to express my full support of the nomination of Maj. Gen. Thomas A.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For Department Staff Only)

Issued May 6, 1960
For actions of May 5, 1960
86th-2d, No. 82

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HIGHLIGHTS: House committee granted permission until midnight Friday, May 6, to file report on USDA appropriation bill. Both Houses agreed to conference report on Interior and related agencies appropriation bill, including Forest Service. House passed Defense Department appropriation bill for 1961.

HOUSE

1. MUTUAL SECURITY. Disagreed to the Senate amendments to H. R. 11510, the mutual security authorization bill; conferees were appointed (p. 8903). Senate conferees have been appointed.

2. DEFENSE DEPARTMENT APPROPRIATION BILL, 1960. Passed by a vote of 377 to 3, with amendment, this bill, H. R. 11998. pp. 8913-56

   Following passage of the bill Rep. Kastenmeier commented on the bill and urged support for establishing a National Peace Agency. pp. 8957-8

3. AGRICULTURE DEPARTMENT APPROPRIATION BILL, 1961. Agreed to allow the Appropriations Committee until midnight, Fri., May 6, to file a report on this bill. p. 8957

4. EXHIBITIONS. Rep. Kasem urged support for his resolution to have the Secretary of State "enter into negotiations to bring the U. S. into the membership of the 'Bureau International des Expositions." pp. 8959-62

5. INTEREST RATES. Rep. Burdick criticized the administration's stand on removing the interest restriction on long-term Government securities. pp. 8976-7

6. LEGISLATIVE PROGRAM. Rep. McCormack stated that the legislative program for next week would include the following: On Tues., May 10, the Department of Agriculture appropriation bill for 1961 would be considered, and following that the house would consider H. R. 10495, the highway construction authorization bill for fiscal 1962, and 1963. p. 8904

SENATE

7. INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1961. Both Houses agreed to the conference report on this bill H. R. 10401. This bill will now be sent to the President. pp. 8864-71, 8910-13

8. FARM CREDIT. The Agriculture and Forestry Committee reported with amendments S. 2977, to amend the Farm Credit Act of 1933 to provide for increased representation by regional banks for cooperatives on the Board of Directors of the Central Bank for Cooperatives (S. Rept. 1335). p. 8816

9. LANDS. The Agriculture and Forestry Committee reported without amendment H. R. 9818, to provide for the conveyance of certain real property of the United States to the State of Florida (S. Rept. 1336); and S. 3070, to provide for the removal of the restriction on use with respect to certain lands in Morton County, N. Dak., conveyed to the State of North Dakota on July 20, 1955 (S. Rep 1337). p. 8816

10. EXPORT CONTROL. Passed without amendment H. R. 10550, to extend the Export Control Act of 1949 for 2 additional years. This bill will now be sent to the President. p. 8851

11. WHEAT. Passed over, as not appropriate calendar business, S. 2759, to strengthe the wheat marketing quota and price support program. p. 8853

12. CHICORY. Passed as reported H. R. 9398, to extend for 3 years the suspension of duty on imports of crude chicory and the reduction in duty on ground chicory. p. 8854

13. RETIREMENT. Passed as reported S. 2575, to provide a health benefits program for certain retired employees of the Government (pp. 8872-5). This bill had been passed over on calendar call earlier in the day (p. 8851).

Passed over and subsequently passed as reported H. R. 8241, to amend certain provisions of the Civil Service Retirement Act relating to the reemployment of former Members of Congress. pp. 8851, 8876-84

Passed over and subsequently passed as reported S. 2857, to amend the Civil Service Retirement Act so as to provide for refunds of contributions in the cas of annuitants whose length of service exceeds the amount necessary to provide th maximum annuity allowable under such Act. p. 8852, 8884-90, 8891-2

14. CASEIN. Passed with amendments H. R. 9862, relating to duties on certain shoe lathes and containing an amendment to extend the suspension of the import duty on casein until June 30, 1963. pp. 8892-9

15. AREA REDEVELOPMENT. Sen. Johnson and others discussed S. 722, the area redevelo ment bill, and Sen. Johnson moved to agree to the House amendment. It was agreed that on Fri., May 6, there will be 2 hours debate, equally divided, on the motion to agree to the House amendment. pp. 8811-2, 8875-6, 8889-900

House of Representatives

THURSDAY, MAY 5, 1960

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

II Corinthians 13: 11: *Finally, brethren, be of one mind; live in peace; and the God of love and peace shall be with you.*

Almighty God, as we now turn to Thee in prayer, wilt Thou renew within us the conviction that life is our most sacred possession and that Thou hast endowed us with power to make it blessed and meaningful for all mankind.

Grant that we may respond more eagerly to the beneficent and benign influence of the holy spirit, prompting and persuading us to solve our daily human problems on the high levels of a hallowed respect and reverence for human personality and for man created in the image of God and destined for immortal life.

We beseech Thee to supply with wisdom and understanding all who hold positions of leadership in the affairs of government, and prosper their counsels as they strive to bring peace and concord among the nations.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills and a concurrent resolution of the House of the following titles:

H.R. 9084. An act to repeal certain retirement promotion authority of the Coast and Geodetic Survey;

H.R. 9861. An act to continue for a temporary period the existing suspension of duty on certain istle or Tampico fiber;

H.R. 10045. An act to amend the act entitled "An act to provide better facilities for the enforcement of the customs and immigration laws," to increase the amounts authorized to be expended;

H.R. 11415. An act to provide for the designation of a portion of the District of Columbia as the "Plaza of the Americas"; and

H. Con. Res. 582. Concurrent resolution providing under section 3(e) of the Strategic and Critical Materials Stock Piling Act, the express approval of the Congress for the disposal from the national stockpile of approximately 470,000 long tons of natural rubber.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 6482. An act relating to the credits against the unemployment tax in the case of merged corporations.

The message also announced that the Senate had passed with amendments, in which concurrence of the House is requested, a bill of the House of the following title:

H.R. 10809. An act to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSON of Texas, Mr. STENNIS, Mr. YOUNG of Ohio, Mr. DODD, Mr. CANNON, Mr. BRIDGES, Mrs. SMITH, and Mr. MARTIN to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 477. An act for the relief of Joanne Lea (Buffington) Dybarger;

S. 1447. An act to amend section 161, title 35, United States Code, with respect to patents for plants;

S. 1781. An act to facilitate cooperation between the Federal Government, colleges and universities, the States, and private organizations for cooperative unit programs of research and education relating to fish and wildlife, and for other purposes;

S. 2452. An act to permit the establishment of through service and joint rates for carriers serving Alaska or Hawaii and the other States, and to establish a joint board to review such rates;

S. 2765. An act for the relief of Sofia Skolopoulos;

S. 2776. An act for the relief of Raymond Thomason, Jr.;

S. 2799. An act for the relief of Santo Scardina;

S. 2939. An act for the relief of Dr. Chien Chen Chi;

S. 3072. An act to authorize the Secretary of the Treasury to effect the payment of certain claims against the United States;

S. 3106. An act to change the title of the Assistant Director of the Coast and Geodetic Survey;

S. 3189. An act to further amend the shipping laws to prohibit operation in the coastwise trade of a rebuilt vessel unless the entire rebuilding is effected within the United States, and for other purposes;

S. 3338. An act to remove the present $5,000 limitation which prevents the Secretary of the Air Force from settling certain claims arising out of the crash of a U.S. Air Force aircraft at Little Rock, Ark.; and

S.J. Res. 166. Joint resolution authorizing the Architect of the Capitol to permit certain temporary and permanent construction work on the Capitol Grounds in connection with the erection of a building on privately owned property adjacent thereto.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7947) entitled "An act relating to the income tax treatment of nonrefundable capital contributions to Federal National Mortgage Association."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8684) entitled "An act to provide transitional provisions for the income tax treatment of dealer reserve income."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9660) entitled "An act to amend section 8659(b) of the Internal Revenue Code of 1954 with respect to the procedure for assessing certain additions to tax."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10234) entitled "An act making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1961, and for other purposes.

The message also announced that the Senate recedes from its amendment No. 13 to the foregoing bill.

MUTUAL SECURITY ACT OF 1960

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 11510, to amend further the Mutual Security Act of 1954, as amended, and for other purposes, with Senate amendments thereto, disagree to the amendments of the Senate and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. MORGAN, CARNAHAN, ZABLOCKI, CHIPERFIELD, and JUDD.

PERSONAL ANNOUNCEMENT

(Mr. HALEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HALEY. Mr. Speaker, Tuesday of this week there were primary elections in four States—Alabama, Florida, Ohio, and Indiana.

Unfortunately, many Members were absent because of these elections. I

might say that the total membership in the House from those 4 States is 51 Members. I left here and returned to Florida with some assurance, I thought, that the Members of the House would be protected as they have been in the past. I regret, Mr. Speaker, that that was not done. I do not find any fault with my friend, Mr. GROSS, over here for making points of order that a quorum was not present, but there were two bills passed here from the Consent Calendar in which I was quite interested. I regret that the leadership of the House did not protect the Members who had to be in their own States in order to participate in their primary elections. These votes are the first votes that I have missed in over 3 years. It is regrettable that a perfect record such as this could be shattered when customarily Members have been protected when they have returned to their home State to vote.

CORRECTION OF ROLLCALL

Mr. KLUCZYNSKI. Mr. Speaker, on rollcalls Nos. 76 and 77 of Wednesday, May 4, I am recorded as not voting. I was present and voted "yea" and I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MACHROWICZ. Mr. Speaker, on rollcall No. 79 of yesterday, May 4, I was present and voted "yea." I am not recorded at all. I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mrs. GRIFFITHS. Mr. Speaker, on rollcall No. 62 I am recorded as not voting. As a matter of fact I was present and voted "nay." I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentlewoman from Michigan?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SWEARING IN OF MEMBERS-ELECT

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania, Mr. DOUGLAS H. ELLIOTT, and the gentleman from Pennsylvania, Mr. HERMAN T. SCHNEEBELI, be permitted to take the oath of office today. Their certificates of election have not arrived, but there is no contest, and no question has been raised with regard to their election.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. The Members-elect will present themselves to the bar of the House and take the oath of office.

Mr. DOUGLAS H. ELLIOTT and Mr. HERMAN T. SCHNEEBELI appeared at the bar of the House and took the oath of office.

[Mrs. ROGERS of Massachusetts addressed the House. Her remarks will appear hereafter in the Appendix.]

PROGRAM FOR THE BALANCE OF THE WEEK AND NEXT WEEK

(Mr. HALLECK asked and was given permission to address the House for 1 minute.)

Mr. HALLECK. Mr. Speaker, I take this time for the purpose of inquiring of the majority leader as to the program for the balance of the week and for next week.

Mr. McCORMACK. As to the program for the balance of the week, we have three or four rules that we are hopeful will be adopted. One of them is in connection with the Atomic Energy Commission authorization bill, which we hope to dispose of this week. If the Department of Defense appropriation bill is disposed of today, as well as the atomic energy authorization bill, why, there will be no further business this week, and if they are disposed of today, we will go over until Monday. There may be later on today the conference report on the Department of the Interior appropriation bill called up.

For next week, Monday is District Day, but there will be no business.

On Tuesday, Wednesday, Thursday, Friday, and Saturday bills will be brought up in this order. Agriculture Department appropriation bill for 1961 on Tuesday. I cannot state definitely, but I understand general debate will take place on Tuesday. After the disposition of the Agriculture Department appropriation bill there will be H.R. 11318, a bill out of the Committee on Armed Services in relation to the recomputation, retired personnel retirement rates. Then H.R. 10495, Federal Highway Act. Then H.R. 2331, a bill relating to the national parks, C. & O. Canal, Maryland. There are three bills we had on the list earlier this week that were not acted upon. Maybe some or all of the rules will be acted upon, but they will not be brought up today. Then H.R. 6851, Colorado, Bent's Old Fort Historic Site. Then H.R. 8226, relating to the Florida, Castillo DeSan Marcos National Park. Then S. 1358, relating to a headquarters site, Mount Rainier National Park.

Then there is the usual reservation that any further program will be announced as quickly as possible and that conference reports may be brought up at any time.

Mr. HALLECK. I have just been informed that the State convention is to be held in Michigan on May 13, which is Friday. I do not know whether, under the general practice, any assurance could be made with respect to that, but looking this over it occurred to me that probably Friday would be pretty clear.

Mr. McCORMACK. There is a congressional tour to New York City which, of course, is a yearly event. I can assure the gentleman that I have that in mind.

Mr. HALLECK. May I say to the gentleman I shall be glad to cooperate.

Mr. McCORMACK. I know that. I have had that in mind and hope that the legislative program for next week may be disposed of by Thursday. We can take care of that situation at that time.

Mr. GATHINGS. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Arkansas.

Mr. GATHINGS. I wanted to inquire about the Department of Agriculture appropriation bill. As I understand, that is set down for general debate on Tuesday. I was wondering when we would have the opportunity to see a copy of the report and the bill.

Mr. McCORMACK. The information I have is this. Of course, that is a matter for the chairman of that subcommittee and the members thereof; but my understanding is—and, of course, I am not committing the chairman of that subcommittee—that general debate will take place on Tuesday. The bill will be considered under the 5-minute rule on Wednesday. I am not making that definite statement, however, because I have not talked with the chairman of the subcommittee.

Mr. GATHINGS. We were particularly concerned about seeing the bill and the report prior to the time that the bill is brought to the floor. I do hope that the report will be available on Monday and we will have an opportunity to see what is in the bill.

Mr. McCORMACK. So far as the program is concerned, it is being programed so that it will be the only bill up on Tuesday. That means general debate will be had on Tuesday. I cannot, however, make any statement binding the chairman of the subcommittee at this time.

Mr. GATHINGS. As to when the report and the bill will be available?

Mr. McCORMACK. That is correct.

INCOME TAX TREATMENT OF FNMA

Mr. MILLS. Mr. Speaker, I call up the conference report on the bill (H.R. 7947) relating to the income tax treatment of nonrefundable capital contributions to Federal National Mortgage Association, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of April 21, 1960.)

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For Department Staff Only)

Issued May 9, 1960
For actions of May 6, 1960
86th-2d, No. 83

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HIGHLIGHTS: House committee reported agricultural appropriation bill. Senate agreed to House amendment to depressed areas bill. House received conference report on mutual security authorization bill. Rep. Cooley introduced administration's bill to amend Public Law 480, and user charges bill.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL FOR 1961. The Appropriations Committee reported without amendment this bill, H. R. 12117 (H. Rept. 1592). (Attached to this digest is a copy of the Committee report, at the end of which is included a summary table reflecting committee action on the bill.) p. 9067

2. MUTUAL SECURITY; FOREIGN AID. Received the conference report on H. R. 11510, the mutual security authorization bill (H. Rept. 1593) (pp. 9030-7). The action of the conferees provided as follows on certain items in disagreement: authorized, for 1 year, the use of surplus agricultural commodities on a grant basis to meet the requirements of needy people and to promote economic development in underdeveloped areas; authorized the payment of transportation charges to points of entry in landlocked countries for shipments under the Mutual Security Act or titles II and III of Public Law 480; authorized loans of foreign currences to small farm operators in foreign countries to assist in improving agricultural methods and techniques; provided that "insofar as practicable" land and water resource projects in foreign countries be examined by qualified engineers financed under the Mutual Security Act in accordance with the general procedures prescribed in Circular A-47 of the Budget Bureau; deleted a proposed Senate amendment which would have amended Public Law 174, 79th Congress, so as to

strike out the $3 million limitation on the annual U. S. contribution to the Food and Agriculture Organization; and provided that the President shall have a study made of the functions of, and the degree of coordination among, agencies engaged in foreign economic activities, including the Department of State, the Development Loan Fund, the Export-Import Bank, and the Department of Agriculture. See Digests 75 and 77 for a summary of other items of interest.

3. ATOMIC ENERGY. Passed without amendment H. R. 11713, authorizing appropriations for the Atomic Energy Commission. pp. 9037-56 (For a summary of this bill see Digest 71.)

4. AREA REDEVELOPMENT. Several Representatives urged the President to sign S. 722, the depressed areas bill. pp. 9058-62
   Rep. Bow expressed his hope that the President would veto S. 722, and that a bill providing $53,000,000 would be submitted and enacted in its place. pp. 9062-3

5. PERSONNEL. Rep. Lesinski urged support for his House Resolution 522 which "provides for a special investigation and study on the employment, utilization, and retention of older workers in the Federal Government." p. 9064

6. FARM PROGRAM. Rep. Flynn discussed the problem of farm surpluses, stating "the cheapest and easiest way of solving the problem of over-productivity and surplu ... is to remove from production, a sufficent number of acres to accomplish this result." He also inserted the text of his bill H. R. 12005, which he says will accomplish this. pp. 9064-6

7. ADJOURNED until Mon., May 9. p. 9067

SENATE

8. DEPRESSED AREAS. By a vote of 45 to 32, agreed to the House amendment to S. 722 to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas (pp. 8983-9002). This bill will now be sent to the President. See Digest 81 for a summary of the provisions of the bill as agreed to.

9. SUGAR; TOBACCO. Sen. Frear referred to a statement by Rep. Levering that "the Philippines had been denied increases in its sugar quota because of its ban on American tobacco, while no such action had been taken against Cuba," urged an increase in sugar quota for the Philippines, and inserted several items discussing this matter. pp. 9019-20

10. NATURAL RESOURCES. Sen. O'Mahoney commended the service of Sen. Murray, stating that he "has always labored for the development of the resources of our great West -- the water, the soil, the timber, the oil and other minerals." pp. 9008-9

11. LEGISLATIVE PROGRAM. Sen. Johnson commended recent accomplishments of the Senate, and listed legislation to be considered before Congress adjourns, including a farm bill, medical assistance for the aged, Federal pay raise bill, housing bill, and social security bill. pp. 9013-4

12. ADJOURNED until Mon., May 9. p. 9027

86TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 1593

MUTUAL SECURITY ACT OF 1960

MAY 6, 1960.—Ordered to be printed

Mr. MORGAN, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 11510]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11510) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That this Act may be cited as the "Mutual Security Act of 1960".*

STATEMENT OF POLICY

SEC. 2. Section 2 of the Mutual Security Act of 1954, as amended, which is a statement of policy, is further amended by adding at the end thereof the following:

"(f) It is the sense of the Congress that inasmuch as—

"(1) the United States favors freedom of navigation in international waterways and economic cooperation between nations; and

"(2) the purposes of this Act are negated and the peace of the world is endangered when nations which receive assistanee under this Act wage economic warfare against other nations assisted under this Act, including such procedures as boycotts, blockades, and the restriction of the use of international waterways;

assistanee under this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be administered to give effect to these principles, and, in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this Act or arising under the Agricultural Trade Development and Assistance Act of 1954, as amended, these principles shall be applied, as the President may determine, and he shall report on measures taken by the Administration to insure their application."

CHAPTER I—MILITARY ASSISTANCE

MILITARY ASSISTANCE

SEC. 101. Chapter I of the Mutual Security Act of 1954, as amended, which relates to military assistance, is amended as follows:

(a) In section 103, which relates to authorizations, insert the following new subsection (d):

"(d) The value of programs of equipment and materials for American Republics, pursuant to any authority contained in this chapter other than section 106, in any fiscal year beginning with the fiscal year 1961, shall not exceed $55,000,000. For the purposes of this subsection, the value of nonexcess equipment and materials shall be as defined in section 545(h) of this Act, and the value of excess equipment and materials (as excess is defined in section 545(e) of this Act) shall mean the acquisition cost to the Armed Forces of the United States of such equipment and materials."

(b) In section 105(b)(4), which relates to conditions applicable to military assistance, strike out the last sentence.

CHAPTER II—ECONOMIC ASSISTANCE

DEFENSE SUPPORT

SEC. 201. Title I of chapter II of the Mutual Security Act of 1954, as amended, which relates to defense support, is amended as follows:

(a) In the first sentence of section 131(a), which relates to the authority of the President to furnish defense support, insert immediately before the period at the end thereof the following proviso: ": Provided, That either all documents, papers, communications, audits, reviews, findings, recommendations, reports, and other material which relate to operations or activities under this title are furnished to the General Accounting Office and to any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation, appropriations, or expenditures under this title, upon request of the General Accounting Office or such committee or subcommittee as the case may be, or the President certifies that he has forbidden the information to be furnished pursuant to such request and gives his reasons for doing so".

(b) In section 131(b), which relates to general authority, strike out "1960" and "$751,000,000" and substitute "1961" and "$675,000,000", respectively.

(c) In section 141, which relates to conditions of eligibility for assistance, strike out "No such assistance" in the second sentence and substitute "No defense support or military equipment and materials".

(d) In section 142(a), which relates to agreements, strike out "No assistance" in the introductory clause and substitute "No defense support or military equipment and materials".

DEVELOPMENT LOAN FUND

SEC. 202. Title II of chapter II of the Mutual Security Act of 1954, as amended, which relates to the Development Loan Fund, is amended as follows:

(a) Amend section 201, which states the purposes of the Development Loan Fund, as follows:

(1) In the last sentence, after "to develop their economic resources" insert "and free economic institutions", and after "to increase their productive capabilities" insert "in agriculture as well as in industry".

(2) At the end of the section, add the following new sentences: "The Congress recognizes that the accomplishment of the purposes of this title in rapidly developing countries requires the development of free economic institutions and the stimulation of private investment, local as well as foreign, in the field of housing. It is the sense of the Congress that, consistent with the other purposes of this title, special consideration should be given to loans and guarantees to stimulate activities in this field."

(b) Amend section 202, which relates to general powers of the Development Loan Fund, as follows:

(1) In clause (3) of the first sentence of subsection (b) insert "or free economic institutions" after "economic resources".

(2) At the end of the section, add the following new subsection:

"(c) The Fund shall not allocate, reserve, earmark, commit, or otherwise set aside, funds aggregating in excess of $50,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country together with sufficient information and assurances to indicate reasonably that the funds will be used in an economically and technically sound manner, or (2) the President determines with respect to each such allocation, reservation, earmarking, commitment, or set-aside that it is in the national interest to use such funds pursuant to multilateral plans."

(c) In section 205(a), which relates to management, powers, and authorities, strike out "Under Secretary of State for Economic Affairs" in the first sentence and substitute "Secretary of State".

TECHNICAL COOPERATION

SEC. 203. Title III of chapter II of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is amended as follows:

(a) In section 304, which relates to authorization, strike out "$179,500,000" and "1960" and substitute "$172,000,000" and "1961", respectively.

(b) Amend section 306, which relates to multilateral technical cooperation and related programs, as follows:

(1) In subsection (a), which relates to contributions to the United Nations Expanded Program of Technical Assistance and related fund, strike out "$30,000,000" and "1960" and substitute "$33,000,000" and "1961", respectively.

(2) In subsection (b), which relates to contributions to the technical cooperation program of the Organization of American States, strike out "1960" and substitute "1961".

(c) In section 307, which relates to advances and grants, insert "(a)" immediately after "SEC. 307. ADVANCES AND GRANTS; CONTRACTS.—", and at the end thereof add the following:

"(b) The President shall arrange for a nongovernmental research group, university, or foundation to study the advisability and practicability of a program, to be known as the Point Four Youth Corps, under which young United States citizens would be trained and serve abroad in programs of technical cooperation. Not to exceed $10,000 from funds made available pursuant to section 304 of this Act may be used to help defray the expenses of such a study."

(d) Repeal section 308, which relates to the International Development Advisory Board.

SPECIAL ASSISTANCE AND OTHER PROGRAMS

SEC. 204. Title IV of chapter II of the Mutual Security Act of 1954, as amended, which relates to special assistance and other programs, is amended as follows:

(a) In section 400(a), which relates to special assistance, strike out "1960" and "$247,500,000" and substitute "1961" and "$256,000,000", respectively.

(b) In section 401, which relates to the United Nations Emergency Force, strike out "1960" in the second sentence and substitute "1961".

(c) In section 402, which relates to earmarking of funds, strike out "1960" in the first sentence and substitute "1961".

(d) In section 403, which relates to responsibilities in Germany, strike out "1960" and "$7,500,000" in the first sentence and substitute "1961" and "$6,750,000", respectively.

(e) Insert after section 403 the following new section 404:

"SEC. 404. INDUS BASIN DEVELOPMENT.—The Congress of the United States welcomes the progress made through the good offices of the International Bank for Reconstruction and Development toward the development of the Indus Basin through a program of cooperation among south Asian and other nations of the free world in order to promote economic growth and political stability in south Asia, and affirms the willingness of the United States, pursuant to authorities contained in this and other Acts, to participate in this significant undertaking. In the event that funds appropriated pursuant to this Act are made available to be used by or under the supervision of the International Bank for Reconstruction and Development in furtherance of the foregoing purposes, such funds may be used in accordance with requirements, standards, or procedures established by the Bank concerning completion of plans and cost estimates and determination of feasibility, rather than with requirements, standards, or procedures concerning such matters set forth in this or other Acts; and such funds may also be used without regard to the provisions of section 901(b) of the Merchant Marine Act of 1936, as amended (46 U.S.C. 1241), whenever the President determines that such provisions cannot be fully satisfied without seriously impeding or preventing accomplishment of such purposes: Provided, That compensating allowances are made in the administration of other programs to the same or other areas to which the requirements of said section 901(b) are applicable."

(f) Amend section 405, which relates to migrants, refugees, and escapees, as follows:

(1) In subsection (c), which relates to contributions to the program of the United Nations High Commissioner for Refugees, strike out "1960" and "$1,100,000" and substitute "1961" and "$1,300,000", respectively.

(2) In subsection (d), which relates to the continuation of activities undertaken for selected escapees, strike out "1960" and "$5,200,000" and substitute "1961" and "$3,500,000", respectively.

(g) In section 406, which relates to children's welfare, strike out "1960" and substitute "1961".

(h) Amend section 407, which relates to Palestine refugees in the Near East, to read as follows:

"SEC. 407. PALESTINE REFUGEES IN THE NEAR EAST.—There is hereby authorized to be appropriated to the President for the fiscal year 1961 not to exceed $16,500,000 to be used to make contributions to the United Nations Relief and Works Agency for Palestine Refugees in the

Near East. In determining whether or not to continue furnishing assistance for Palestine refugees in the Near East, the President shall take into account whether Israel and the Arab host governments are taking steps toward the resettlement and repatriation of such refugees. It is the sense of the Congress that the earliest possible rectification should be made of the Palestine refugee rolls in order to assure that only bona fide refugees whose need and eligibility for relief have been certified shall receive aid from the Agency and that the President in determining whether or not to make United States contributions to the Agency should take into consideration the extent and success of efforts by the Agency and the host governments to rectify such relief rolls. The President shall include in his recommendations to the Congress for fiscal year 1962 programs under this Act a report concerning the progress made toward the rectification of the relief rolls as well as toward the repatriation and resettlement of the refugees by the governments directly concerned. Whenever the President shall determine that it would more effectively contribute to the relief, repatriation, and resettlement of Palestine refugees in the Near East he may expend any part of the funds made available pursuant to this section through any other agency he may designate."

(i) Section 409, which relates to ocean freight charges, is amended as follows:

(1) In subsection (a), after "such nations and areas" insert ", or, in the case of such nations and areas which are landlocked, transportation charges from the United States ports to designated points of entry in such nations and areas,".

(2) In subsection (c), strike out "1960" and "$2,300,000" and substitute "1961" and "$2,000,000", respectively.

(j) Amend section 411, which relates to administrative and other expenses, as follows:

(1) In subsection (b), which relates to certain expenses of administering nonmilitary assistance, strike out "1960" and "$39,500,000" and substitute "1961" and "$40,000,000", respectively.

(2) In subsection (c), which relates to administrative and other expenses of the Department of State, strike out "to" after "appropriated" and substitute "for expenses of".

(k) Section 412, which relates to the President's special education and training fund, is repealed.

(l) In section 419(a), which relates to atoms for peace, strike out "1960" and "$6,500,000" and substitute "1961" and "$3,400,000", respectively.

(m) Add the following new section after section 420:

"SEC. 421. LOANS TO SMALL FARMERS.—It is the policy of the United States and the purpose of this section to strengthen the economies of underdeveloped nations, and in nations where the economy is essentially rural or based on small villages, to provide assistance designed to improve agricultural methods and techniques, to stimulate and encourage the development of local programs of self-help and mutual cooperation, particularly through loans of foreign currencies for associations of operators of small farms, formed for the purpose of joint action designed to increase or diversify agricultural productivity. The maximum unpaid balance of loans made to any association under this section may not exceed $25,000 at any one time; and the aggregate unpaid balance of all loans made under this section may not exceed $10,000,000 at any one time."

CHAPTER III—CONTINGENCY FUND

SEC. 301. Section 451(b) of the Mutual Security Act of 1954, as amended, which relates to the President's special authority and contingency fund, is amended by striking out "1960" and "$155,000,000" in the first sentence and substituting "1961" and "$150,000,000", respectively.

CHAPTER IV—GENERAL AND ADMINISTRATIVE PROVISIONS

SEC. 401. Chapter IV of the Mutual Security Act of 1954, as amended, which relates to general and administrative provisions, is amended as follows:

(a) Section 502, which relates to use of foreign currency, is amended as follows:

(1) Subsection (b) is amended as follows:

(i) Insert after the word "expended" in the proviso the words "and the amounts of dollar expenditures made from appropriated funds in connection with travel outside the United States".

(ii) Amend the second sentence to read as follows: "Within the first sixty days that Congress is in session in each calendar year, the chairman of each such committee shall prepare a consolidated report showing the total itemized expenditures during the preceding calendar year of the committee and each subcommittee thereof, incurred as a result of the official activities of the members and employees of such committee or subcommittee, and shall forward such consolidated report to the Committee on House Administration of the House of Representatives (if the committee be a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Committee on Appropriations of the Senate (if the committee be a Senate committee or a joint committee whose funds are disbursed by the Secretary of the Senate)."

(2) At the end of the section, add the following new subsection:

"(c) It is the sense of the Congress that prompt and careful consideration should be given to participation by the United States in an internationally financed program which would utilize foreign currencies available to the United States to preserve the great cultural monuments of the Upper Nile. Accordingly, the President is requested to submit to the Congress on or before March 1, 1961, his recommendations concerning such a program."

(b) Section 504(d), which relates to small machine tools and other industrial equipment, is repealed.

(c) In section 505(a), which relates to loan assistance and sales, insert after the first sentence the following new sentence: "Commodities, equipment, and materials transferred to the United States as repayment may be used for assistance authorized by this Act, other than title II of chapter II, in accordance with the provisions of this Act applicable to the furnishing of such assistance.".

(d) In section 513, which relates to notice to legislative committees, insert before ", and copies" in the last sentence the following: "and under the last clause of the second sentence of section 404".

(e) Amend section 517, which relates to completion of plans and cost estimates, as follows:

(1) Insert "(a)" immediately after "SEC. 517. COMPLETION OF PLANS AND COST ESTIMATES.—".

(2) Add the following at the end of such section:

"(b) Plans required under this section for any water or related land resource construction project or program shall include a computation of benefits and costs made insofar as practicable in accordance with the procedures set forth in Circular A–47 of the Bureau of the Budget with respect to such computations."

(f) Amend section 523, which relates to coordination with foreign policy, by adding the following new subsection:

"(d) Whenever the President determines that the achievement of United States foreign policy objectives in a given country requires it, he may direct the chief of the United States diplomatic mission there to issue regulations applicable to members of the Armed Forces and officers and employees of the United States Government, and to contractors with the United States Government and their employees, governing the extent to which their pay and allowances received and to be used in that country shall be paid in local currency. Notwithstanding any other law, United States Government agencies are authorized and directed to comply with such regulations."

(g) Amend section 527, which relates to employment of personnel, as follows:

(1) In subsection (c), which relates to employment of personnel outside the United States, strike out "Director" in the introductory clause and substitute "President"; and insert before the period at the end of paragraph (2) the following new proviso: ": Provided further, That Foreign Service Reserve officers appointed or assigned pursuant to this paragraph shall receive in-class promotions in accordance with such regulations as the President may prescribe".

(2) In subsection (d), which relates to appointment of alien employees outside the United States, strike out ", at the request of the Director".

(h) Section 531, which relates to security clearance, is amended to read as follows:

"SEC. 531. SECURITY CLEARANCE.—The standards and procedures set forth in Executive Order Numbered 10450, as amended or supplemented, shall apply to the employment under this Act by any agency administering nonmilitary assistance of any citizen or resident of the United States."

(i) In subsection (c) of section 533A, relating to the Inspector General and Comptroller, strike out paragraph (9) and renumber paragraphs (10) and (11) as paragraphs (9) and (10), respectively.

(j) In section 534(a), which relates to reports, strike out "six months" in the first sentence and substitute "fiscal year".

(k) In section 537(a), which relates to provisions on uses of funds, amend paragraph (3) to read as follows:

"(3) contracting with individuals for personal services abroad: Provided, That such individuals shall not be regarded as employees of the United States for the purpose of any law administered by the Civil Service Commission;".

(l) In section 537(c), which relates to construction or acquisition of facilities abroad, strike out "$2,750,000" and substitute "$4,250,000".

(m) Add the following new section immediately after section 551:

"SEC. 552. ASSISTANCE TO CUBA.—No assistance shall be furnished under this Act to Cuba after the date of enactment of the Mutual Security Act of 1960 unless the President determines that such assistance is in the national and hemispheric interest of the United States."

CHAPTER V—TECHNICAL AMENDMENTS REFLECTING NEW LIMITS OF UNITED STATES

SEC. 501. The Mutual Security Act of 1954, as amended, is amended as follows:

(a) In section 205(c), strike out "continental" in the twelfth clause of the first sentence.

(b) In section 411(d), strike out "the continental limits of".

(c) In section 527(c), strike out "the continental limits of" in the introductory clause.

(d) In section 527(d), strike out "the continental limits of".

(e) In section 530(a), strike out "the continental limits of".

(f) In section 537(a), strike out "continental" in the last proviso of paragraph (5) and in paragraphs (13) and (17); and strike out "the continental limits of" in paragraph (10).

CHAPTER VI—AMENDMENTS TO OTHER LAWS

SEC. 601. Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1721 and the following), which relates to famine relief and other assistance, is amended as follows:

(a)(1) In section 202, strike out "The" at the beginning thereof and substitute the following: "In order to facilitate the utilization of surplus agricultural commodities in meeting the requirements of needy peoples, and in order to promote economic development in underdeveloped areas in addition to that which can be accomplished under title I of this Act, the".

(2) The amendment made by this subsection shall expire June 30, 1961.

(b) In section 203, which relates to delivery of relief supplies, in the third sentence after the words "designated ports of entry abroad" insert ", or, in the case of landlocked countries, transportation from United States ports to designated points of entry abroad,", and before the period at the end of such sentence insert the following: ", and charges for general average contributions arising out of the ocean transport of commodities transferred pursuant hereto may be paid from such funds".

SEC. 602. Section 501(b) of the Mutual Security Act of 1959 (73 Stat. 256), which relates to international cooperation in health, is repealed.

SEC. 603. Section 3(a) of Public Law 403, Eightieth Congress, as amended (22 U.S.C. 280b), which relates to United States membership in the South Pacific Commission, is amended by striking out "$75,000" and substituting "$100,000".

SEC. 604. The President shall have a study made of the functions of, and the degree of coordination among, agencies engaged in foreign economic activities, including the Department of State, the International Cooperation Administration, the Development Loan Fund, the Export-Import Bank, and the Department of Agriculture, with a view to providing the most effective means for the formulation and implementation of United States foreign economic policies. The President shall include in his presentation to the Congress of the fiscal year 1962 mutual security program his findings and recommendations resulting from such study.

Chapter VII—Center for Cultural and Technical Interchange Between East and West

Sec. 701. This chapter may be cited as the "Center for Cultural and Technical Interchange Between East and West Act of 1960".

Sec. 702. The purpose of this chapter is to promote better relations and understanding between the United States and the nations of Asia and the Pacific (hereinafter referred to as "the East") through cooperative study, training, and research, by establishing in Hawaii a Center for Cultural and Technical Interchange Between East and West where scholars and students in various fields from the nations of the East and West may study, give and receive training, exchange ideas and views, and conduct other activities primarily in support of the objectives of the United States Information and Educational Exchange Act of 1948, as amended, title III of chapter II of the Mutual Security Act of 1954, and other Acts promoting the international, educational, cultural, and related activities of the United States.

Sec. 703. In order to carry out the purpose of this chapter the Secretary of State (hereinafter referred to as the "Secretary") shall provide for—

(1) the establishment and operation in Hawaii of an educational institution to be known as the Center for Cultural and Technical Interchange Between East and West, through arrangements with public, educational, or other nonprofit institutions;

(2) grants, fellowships, and other payments to outstanding scholars and authorities from the nations of the East and West as may be necessary to attract such scholars and authorities to the Center;

(3) grants, scholarships, and other payments to qualified students from the nations of the East and West as may be necessary to enable such students to engage in study or training at the Center; and

(4) making the facilities of the Center available for study or training to other qualified persons.

Sec. 704. (a) In carrying out the provisions of this chapter, the Secretary may utilize his authority under the provisions of the United States Information and Educational Exchange Act of 1948, as amended

(b) The Secretary may, in administering the provisions of this chapter, accept from public and private sources money and property to be utilized in carrying out the purposes and functions of the Center. In utilizing any gifts, bequests, or devises accepted there shall be available to the Secretary the same authorities as are available to him in accepting and utilizing gifts, bequests, and devises to the Foreign Service Institute under the provisions of title X, part C of the Foreign Service Act of 1946, as amended. For the purposes of Federal income, estate, and gift taxes, any gift, devise, or bequest accepted by the Secretary under the authority of this chapter shall be deemed to be a gift, devise, or bequest to or for the use of the United States.

(c) The Secretary shall make an annual report to the Congress with respect to his activities under the provisions of this chapter, and such report shall include any recommendations for needed revisions in this chapter.

Sec. 705. There are authorized to be appropriated, to remain available until expended, such amounts as may be necessary to carry out the provisions of this chapter.

Chapter VIII—Hemispheric Center for Cultural and Technical Interchange

STATEMENT OF PURPOSE

Sec. 801. The purpose of this chapter is to promote better relations and understanding between the United States and the other nations of the Western Hemisphere (hereinafter referred to as "the Hemisphere") through cooperative study and research, by establishing in Puerto Rico a Hemispheric Center for Cultural and Technical Interchange, either as a branch of an existing institution of higher learning or as a separate institution, where scholars and students, in various fields from the nations of the Hemisphere may meet, study, exchange ideas and views, and conduct other activities primarily in support of the objectives of the United States Information and Educational Exchange Act of 1948, as amended, and title III of chapter II of the Mutual Security Act of 1954 and other Acts promoting the international educational, cultural, and related activities of the United States.

ESTABLISHMENT OF CENTER

Sec. 802. In order to carry out the purposes of this chapter the Secretary of State (hereinafter referred to as "Secretary"), after consultation with appropriate public and private authorities, may, on or before January 3, 1961, prepare and submit to the Congress a plan and program for—

(1) the establishment and operation in Puerto Rico of an educational institution to be known as the Hemispheric Center for Cultural and Technical Interchange through arrangements to be made with public, educational, or other nonprofit institutions;

(2) grants, fellowships, and other payments to outstanding scholars and authorities from the nations of the Hemisphere as may be necessary to attract such scholars and authorities to the Center;

(3) grants, scholarships, and other payments to qualified candidates from the nations of the Hemisphere as may be necessary to enable such students to engage in study at the Center; and

(4) making the facilities of the Center available for study to other qualified persons on reasonable basis.

And the Senate agree to the same.

THOMAS E. MORGAN,
A. S. J. CARNAHAN,
CLEMENT J. ZABLOCKI,
ROBERT B. CHIPERFIELD,
WALTER H. JUDD,
Managers on the Part of the House.

J. W. FULBRIGHT,
THEODORE FRANCIS GREEN,
JOHN J. SPARKMAN,
ALEXANDER WILEY,
BOURKE B. HICKENLOOPER,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11510) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate struck out all of the House bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the House bill and the Senate amendment. Except for clarifying, clerical, and necessary conforming changes, the differences are noted below:

INTRODUCTION

The House bill authorized an appropriation of $1,318,400,000 for fiscal year 1961. The Senate amendment authorized an appropriation of $1,405,500,000. The committee of conference adjusted the individual program amounts and agreed on a total authorization of $1,366,200,000 for fiscal year 1961. The authorization agreed upon is a reduction of $39,300,000 from the Senate amount and an increase of $47,800,000 over the House figure.

There were five amounts in the House bill from which the Senate amendment differed. On two of them the Senate receded—defense support, for a reduction from the Senate figure of $25 million; and special assistance, a reduction of $4 million. The two Houses split the $400,000 difference for the U.N. High Commissioner for Refugees and agreed to a final figure of $1,300,000. On the amount for Palestine refugees, the Senate receded from its position cutting off unobligated funds, and the House managers reduced their figure by $2 million with the understanding that approximately $6,500,000 of unobligated funds would be made available. For the contingency fund the difference between the House bill and the Senate amendment was $55 million. On this the House increased its figure by $50 million and the Senate cut its figure by $5 million.

Fiscal analysis of mutual security program for fiscal year 1961

[In thousands of dollars]

Program	House bill (1)	Senate amendment (2)	Conference substitute (3)	Adjustment against House bill (4)	Adjustment against Senate amendment to House bill (5)
Chapter:					
I. Military assistance: Sec. 103(a): General authorization	(1)	(1)	(1)		
II. Economic assistance:					
Title I—Defense support: Sec. 131(h)	$675,000	$700,000	$675,000		−$25,000
Title II—Development Loan Fund: Sec. 203: Capitalization	(1)	(1)	(1)		
Title III—Technical cooperation:					
Sec. 304: General authorization	172,000	172,000	172,000		
Sec. 306: Multilateral technical cooperation and related programs:					
(a) U.N. technical assistance	33,000	33,000	33,000		
(b) Organization of American States	1,500	1,500	1,500		
Total, title III	206,500	206,500	206,500		
Title IV—Special assistance and other programs:					
Sec. 400(a): Special assistance	256,000	260,000	256,000		−4,000
Sec. 405: Migrants, refugees, and escapees					
(a) Intergovernmental Committee for European Migration	(1)	(1)	(1)		
(c) U.N. High Commissioner for Refugees	1,500	1,100	1,300	−$200	+200
(d) Escapee program	3,500	3,500	3,500		
Sec. 406: Children's welfare	12,000	12,000	12,000		
Sec. 407: Palestine refugees	18,500	[2] 22,000	[3] 16,500	−2,000	−5,500
Sec. 408(a): NATO science program	(1)	(1)	(1)		
Sec. 409(c): Ocean freight charges on voluntary relief shipments	2,000	2,000	2,000		
Sec. 410: Control Act expenses					
Sec. 411: Administrative and other expenses:					
(b) Administrative and other expenses (other than ch. I and title II of ch. II)	40,000	40,000	40,000		
(c) State Department administrative expenses	(1)	(1)	(1)		
Sec. 419(a): Atoms for peace	3,400	3,400	3,400		
Total, title IV	336,900	344,000	334,700		
Total, ch. II	1,218,400	1,250,500	1,216,200		
III. Contingency fund: Sec. 451(b)	100,000	155,000	150,000	+50,000	−5,000
Total	1,318,400	1,405,500	1,366,200	+47,800	−39,300

[1] Authorization contained in the Mutual Security Act.

[2] This total does not include unobligated balances of prior year appropriations requested to be continued available. Unobligated funds of approximately $6,500,000 which the administration proposal and House bill would have made available for use in 1961 are to revert to the Treasury. Although the Senate amendment authorizes a 1961 appropriation of $3,500,000 more than the House bill and the administration request, it will result in a total availability of $3,000,000 less.

[3] Does not include unobligated balances from prior year appropriations amounting to $6,500,000 which are authorized to be continued available.

MILITARY ASSISTANCE TO LATIN AMERICA (SEC. 101)

The House bill amended section 105(b)(4) to limit the aggregate amount of funds which might be obligated or reserved for military assistance to Latin America in fiscal year 1961 to the total for fiscal year 1960. The ceiling included training as well as materiel but did not apply to "excess" materiel or to reimbursable transactions under sections 103(c) and 106.

The Senate amendment added a new section 103(d) to limit the value of programs of military materiel beginning with fiscal year 1961 to $55 million. This ceiling included "excess" as well as nonexcess materiel and also applied to reimbursable transactions under section 103(c), which are financed with military assistance funds. It did not apply to training or to reimbursable transactions under section 106, which are not financed with military assistance funds. The Senate amendment also provided that in no case should any reimbursement to the Department of Defense and the military services for excess equipment exceed the usual value of excess equipment as determined under section 545(h).

The committee of conference was in agreement that U S. assistance to the American Republics in the form of military materiel should be progressively reduced and that a ceiling should be imposed on the use of mutual security funds for this purpose. The managers on the part of the House accepted the language of the Senate amendment, except for the deletion of a provision relating to reimbursement for excess equipment which did not in any way alter the requirements already in effect under sections 522(c) and 545(h) of the Mutual Security Act.

The provision as agreed upon sets an annual limitation of $55 million beginning with the fiscal year 1961. This ceiling includes excess as well as nonexcess materiel and reimbursable transactions financed with military assistance funds. It does not apply to training or to reimbursable transactions under section 106.

SUBMISSION OF DOCUMENTS AND INFORMATION TO THE CONGRESS (SEC. 201(a))

The House bill added a proviso to section 131(b) of the Mutual Security Act of 1954, as amended, requiring that all documents relating to defense support operations be furnished upon request to the General Accounting Office or any authorized congressional committee. The Senate amendment did not contain a provision on this subject.

The Senate amendment, however, included a provision striking out the existing language of section 537(f) of the Mutual Security Act of 1954, as amended, which specifies the information to be submitted to Congress in connection with certain types of economic assistance and substituted for this provision a new requirement, outlining information to be submitted to the Congress in relation to military assistance.

The managers on the part of the House accepted a compromise according to which the provision of existing law relating to economic assistance, section 537(f), was retained while the new language contained in section 401(j) of the Senate amendment was deleted.

In addition, the provision in section 201(a) of the House bill was amended so as to require that if a request for any document or material

is denied by the Executive, the President must certify that he has forbidden the furnishing of such document or material.

The committee of conference recognizes that the separation of powers under the Constitution makes it impossible for the Congress to infringe the prerogatives of the Executive by legislative action and that consequently this provision would serve to indicate the will of the Congress but that it could neither prescribe nor limit the constitutional powers of the Executive.

INCREASING DEVELOPMENT LOAN FUND EMPHASIS ON DEVELOPMENT OF FREE ECONOMIC INSTITUTIONS AND ON ENCOURAGEMENT OF PRIVATE INVESTMENT IN HOUSING (SEC. 202 (a) AND (b))

The Senate amendment added to the purposes of the Development Loan Fund the development of free economic institutions and the development of agriculture as well as industry. It also required the Development Loan Fund to take into consideration the contribution of any proposed financing activity to the development of free economic institutions. The Senate amendment also expressed the sense of the Congress that the Development Loan Fund should give special consideration to loans and guarantees to stimulate the development of free economic institutions and private investment in the field of housing in rapidly developing countries.

In addition, the Senate amendment included an expression of the sense of Congress that the Development Loan Fund should assist in the development of self-liquidating pilot housing projects in the American Republics.

The House bill contained no similar provisions.

The managers on the part of the House accepted the Senate provisions relating to the stimulation of private investment in housing on a worldwide basis and the other provisions broadening the purposes of the Development Loan Fund.

The Senate conferees, in accepting the deletion of the Senate provision relating to housing projects in Latin American countries, emphasized the fact that existing law already provides adequate authority for establishing or assisting in the establishment of savings and loan type institutions in foreign countries and for guaranteeing private U.S. capital for investment in private housing in Latin American countries.

The committee of conference was in agreement as to the desirability and the importance of encouraging the development of self-liquidating pilot housing projects in the American Republics and calls the attention of the Executive to the need for greater emphasis on this type of activity.

DEVELOPMENT LOAN FUND SPECIAL ADVANCE COMMITMENTS (SEC. 202(b)(2))

The House bill added a new section 202(c) which prohibited the Development Loan Fund Board of Directors from formally allocating, committing, reserving, setting aside, or earmarking funds in excess of $50,000 for use in any country unless an application or applications in excess of the amount to be committed for loans in such country had been received, supported by engineering, financial, or other data,

or unless the President personally determined it to be in the national interest to use such funds pursuant to multilateral plans.

The Senate amendment contained no provision on this subject.

The managers on the part of the House accepted an amendment to the House provision, which requires that before funds are allocated by the Development Loan Fund "sufficient information and assurances" must have been received "to indicate reasonably that the funds will be used in an economically and technically sound manner" in place of the more specific language contained in the House bill.

The committee of conference agreed that the limitation on advance allocations, reservations, earmarks, commitments, or set-asides by the Fund definitely applies to any formal action by the Fund's Board of Directors which would either bind the Fund or constitute a basis for representing to the Congress that a given sum cannot be used for other purposes. It does not mean that the Fund's staff cannot, or should not as prudent bankers, informally discuss priorities of various proposals with prospective borrowers, or internally prepare work programs and give special attention to applications from key countries. It should be noted here that just last year the Congress directed in section 202(b) of the act that the Fund "in its operations shall recognize that development loan assistance will be most effective in those countries which show a responsiveness to the vital long-term economic, political, and social concerns of their people, demonstrate a clear willingness to take effective self-help measures—." Obviously assistance to projects and programs in such countries are to be given priority.

Secondly, the amendment clearly calls for such data on the various types of projects and programs which the Fund finances as is appropriate to a preliminary judgment on the particular project or program.

Secondly, the information and assurances called for are those appropriate to forming a judgment that the allocation will result in economically and technically sound uses. These would include an appraisal of the competence and past performance of the entities submitting the applications and their understanding that loans be available only for projects and programs which meet the requirements of section 517. Depending on the development need involved, the Fund will continue to be available to finance such specific projects as dams, industrial enterprises and development banks and loans for programs which may either be a group of related projects or portions of overall plans or programs for economic development.

POINT FOUR YOUTH CORPS (SEC. 203(c))

The House report accompanying the bill included an endorsement of the Point Four Youth Corps and expressed the committee's desire for a comprehensive survey of the possibilities of developing a program for using the services of American youth under the mutual security program. The Senate amendment to the House bill included a specific provision requiring the President to arrange for such a study by a nongovernmental group and authorized the use of not more than $10,000 from technical cooperation funds to help defray the expenses of the study. The managers on the part of the House accepted the Senate language.

ARMAMENTS FOR THE NEAR EAST (SEC. 204(a))

The House bill amended section 400(a) of the act to express the sense of Congress that money made available for special assistance should not be used by any nation in the Near East to purchase armaments. The Senate amendment did not contain this language. While sympathetic to the overall objectives, the committee of conference decided that the implications of the language might make more difficult the achievement of our foreign policy objectives in that area.

INDUS BASIN—50–50 SHIPPING REQUIREMENT (SEC. 204(e))

The House bill added a proviso at the end of the second sentence of the new section 404 which authorizes the waiver of the 50–50 shipping requirement in connection with U.S. participation in the development of the Indus Basin. This proviso required that compensating allowances be made in the administration of other programs to the same area to which the 50–50 shipping requirement is applicable. The Senate amendment did not contain a comparable provision.

The committee of conference considered the possibility that, since the Indus Basin development project involves a period presently estimated at 10 years, it might be impossible at some future date to make compensating allowances on shipments under other programs to the same area.

The managers on the part of the House, therefore, accepted an amendment which extends the scope of compensating allowances to include shipments not only to the same area but to other areas. This broadening of the provision in the House bill should assure fulfillment of the objectives of the 50–50 shipping requirement on a worldwide basis.

PALESTINE REFUGEES (SEC. 204(h))

The House bill deleted the proviso in section 407, which earmarked a percentage of the funds for resettlement and repatriation, and amended section 407 to authorize an appropriation of $18.5 million for contribution to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA), which, together with the use of reappropriations, would permit a total contribution of $25 million.

The Senate amendment deleted the proviso in section 407 and amended section 407: (1) to authorize an appropriation of $22 million and to bar reappropriation of unobligated funds heretofore or hereafter appropriated under section 407; (2) to provide that after January 1, 1961, the U.S. contribution should not be used for relief programs except for refugees who had been certified as to need and eligibility after July 1, 1960; and (3) to require the President in the next fiscal year presentation to submit specific recommendations with respect to a program for the progressive repatriation and resettlement of refugees and for reducing the U.S. contribution to UNRWA.

The committee of conference agreed that the United States shall make progressive reductions of its annual contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East, that there shall be a consistent effort to rectify the Palestine refugee rolls in order to assure that only bona fide refugees in need

are included, and that a continued and vigorous effort shall be made toward the repatriation and resettlement of the refugees by the governments directly concerned.

The managers on the part of the House accepted a compromise which authorizes an appropriation of $16,500,000 for the fiscal year 1961. This amount, together with the $6,500,000 previously appropriated for resettlement but not used, would authorize for fiscal year 1961 a total of $23 million, which is $2 million below the total amount for this purpose in the House bill and $1 million above the total amount contained in the Senate amendment. It also expresses the sense of the Congress with respect to the rectification of the refugee rolls and directs the President to include in his recommendations to the Congress for fiscal year 1962 a report concerning the progress made toward rectification of the relief rolls and toward the repatriation and resettlement of the refugees.

TRANSPORTATION CHARGES TO LANDLOCKED COUNTRIES (SECS. 204(i) AND 601(b))

The committee of conference accepted a Senate amendment to section 409(a) which relates to ocean-freight charges to permit payment of transportation charges to points of entry in landlocked countries.

At present there is authority to use mutual security funds to pay ocean transportation for voluntary agency shipments to "ports of entry" in foreign countries. There is no authority, however, to pay overland transportation to points of entry in landlocked countries which do not have ports. The adoption of the Senate amendment will remove an inequity which a few countries suffer solely on account of geography.

The committee of conference accepted a similar amendment to section 203 of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480). The new language will authorize the payment of overland transportation charges to landlocked countries on title II and title III shipments.

LOANS TO SMALL FARMERS (SEC. 204(m))

The House bill added a new section 421 which stated it to be the policy of the United States to strengthen the economies of underdeveloped nations and to provide assistance designed to improve agricultural methods and techniques and encourage programs of self-help, particularly through loans of foreign currencies to associations of small farm operators. The new section 421 also imposed certain monetary ceilings on loans made under that section.

The Senate amendment contained no provision on this subject.

The committee of conference accepted the provision of the House bill with an amendment to the first sentence in which the word "for" was substituted for the word "to" in reference to associations of operators of small farms. This amendment is intended to make clear that loans of foreign currencies for such associations are not expected to be made directly by agencies of the United States, but would instead be made through agencies or institutions of foreign governments.

CONGRESSIONAL TRAVEL ACCOUNTING (SEC. 401(a)(1))

The Senate bill amended section 502(b), which requires an itemized reporting of congressional travel expenditures in foreign currencies, in two particulars. The new Senate language broadened the provisions of existing law to require itemized reporting of "the amount of dollar expenditures made from appropriated funds in connection with travel outside the United States." The Senate amendment also provided that the reports on congressional travel, which are published annually in the Congressional Record, should include the names of each Member and employee incurring local currency or dollar travel expenses. The committee of conference accepted the Senate language with an amendment. The language agreed upon tightens the provisions of existing law and makes it clear that the funds to be reported include both local currencies or dollars from appropriated funds expended "as a result of the official activities of Members and employees of congressional committees or subcommittees," and that committee chairmen, in complying with the provisions of section 502, submit annually for publication in the Congressional Record consolidated reports which show the total itemized expenditures in appropriated dollars and local currencies of the Members and employees of their committees and subcommittees.

CULTURAL MONUMENTS OF UPPER NILE (SEC. 401(a)(2))

The Senate amendment added a new section 502(c) which provided that if the President found that U.S. participation in an internationally financed program to preserve the cultural monuments of the Upper Nile would promote U.S. foreign policy, he might, notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, and subject to congressional approval, contribute certain U.S.-owned foreign currencies for this purpose of a value not to exceed 33⅓ percent of the total cost of the program. It also provided that no such currencies might be used unless the President was satisfied the remaining cost would be borne by other nations.

The House bill contained no provision on this subject.

The managers on the part of the House accepted a substitute in the nature of a compromise, expressing the sense of the Congress that consideration should be given by the United States to participation in an internationally financed program which would utilize foreign currencies available to the United States to preserve the cultural monuments of the Upper Nile and requesting the President to submit to the Congress on or before March 1, 1961, his recommendations concerning such a program. The language agreed to does not commit the United States to any course of action nor does it authorize any use of foreign currencies.

WATER RESOURCES PROJECTS (SEC. 401(c))

The House bill added a new section 517(b) which required nonmilitary flood control, reclamation, and other water and related land resource programs or projects proposed for construction to be examined by qualified engineers financed under the Mutual Security Act in accordance with the general procedures prescribed in Circular A–47 of the Bureau of the Budget. The House language also called for a determination of the benefits and costs and the submission of a copy

of the determination to the Congress and prohibited the undertaking of any such program or project on which the benefits do not exceed the costs and which does not otherwise meet the standards and criteria used in determining feasibility of similar domestic programs and projects in accordance with Circular A–47. The Senate amendment did not contain any provision on this subject.

The committee of conference agreed to the principle of using the procedures set forth in Circular A–47 with respect to the computation of benefits for any water or related land resource construction project or program that is hereafter planned pursuant to the requirements of section 517. The latter section already prohibits the making of an agreement that obligates more than $100,000 until technical, financial, and other plans have been worked out and a reasonably firm estimate of the cost to the United States has been made. The committee of conference recognized that the kind of statistics and cost-and-earning-potential data on hand in the United States necessary to make the computations required by Circular A–47 may not always be available in the underdeveloped countries. Hence the conferees agreed to the application of the standards "insofar as practicable" in order that foreign policy objectives of the United States would not be unduly impeded.

PAY OF EMPLOYEES IN LOCAL CURRENCY (SEC. 401(f))

The Senate amendment added a new section 523(d) which authorized Ambassadors to regulate the extent to which officers and employees of U.S. Government agencies and contractors abroad might receive their pay and allowances abroad in dollars or in local currency.

The House bill contained no provision on this subject.

The managers on the part of the House accepted the Senate provision with a number of clarifying amendments in the belief that this authority might increase the ability of the United States to prevent blackmarket operations on the part of overseas personnel. The committee of conference agreed that, as the amendment relates to contractors and contract employees, it applies only with respect to future contracts.

The language of the provision is sufficiently flexible and permits discretion in its application so as to assure that no undue hardship will be imposed on American military and civilian personnel serving overseas.

EMPLOYMENT OF PERSONNEL

The House bill amended section 527(b) of the act which relates to employment of personnel, to increase by four the number of positions that may be compensated, up to and including grade 15, without regard to the Classification Act of 1949. The Senate amendment did not contain any provision on this subject. The committee of conference accepted the Senate position that improved administration of the mutual security program can only be achieved through the employment of competent top-level managerial personnel.

PROMOTION OF ECONOMIC DEVELOPMENT (SEC. 601(a)(1))

The House bill amended section 202 of Public Law 480 to authorize the use of surplus agricultural commodities on a grant basis to meet

the requirements of needy people and to promote economic development in underdeveloped areas.

The Senate amendment contained no provision on this subject.

The committee of conference accepted the House provision with an amendment limiting the authorization to the period of one year. The managers on the part of the House accepted this limitation in the belief that a trial period of a year would not impede the operation of the program and would provide an opportunity to evaluate whether a longer range authorization would be desirable.

CONTRIBUTIONS TO SOUTH PACIFIC COMMISSION (SEC. 603)

The committee of conference accepted the language of the Senate amendment which amended section 3(a) of Public Law 403, 80th Congress. The new language raises the ceiling of $75,000 to $100,000 in appropriations authorized for our annual contribution to the South Pacific Commission.

The U.S. assessed contribution to the 1960 budget of the Commission will be about $70,000, or 12.5 percent of the total contribution. A majority of the member governments have expressed an interest in intensifying the work of the Commission, especially in the field of health. They are prepared to support an increase in the Commission's budget which would require the United States to exceed the present ceiling of $75,000. The adoption of the new language will permit the United States to support needed and well-planned increases in the budget of the Commission for the next several years and, at the same time, bear its share of the apportioned expenses at a relatively small additional cost. The peoples of three territories administered by the United States benefit from the activities of the Commission.

STUDY OF COORDINATION OF FOREIGN ECONOMIC OPERATIONS (SEC. 604)

The managers on the part of the House accepted the Senate amendment, with an amendment, requiring the President to have a study made of the functions of, and the degree of coordination among, agencies engaged in foreign economic activities, including the Department of State, the ICA, the Development Loan Fund, the Export-Import Bank, and the Department of Agriculture. The purpose is to provide the most effective means for the formulation and implementation of U.S. foreign economic policies. The President is required to include his findings and recommendations resulting from the study in his presentation to the Congress of the mutual security program for fiscal year 1962.

During the last decade various departments and agencies have embarked upon economic assistance programs. While each of the programs, whether grants, loans or sales, is directed toward the strengthening of our foreign policy, there is increasing concern that they are not sufficiently coordinated or integrated to provide the unity of purpose necessary to achieve their common objective. Some are operated within the Department of State; others are outside the Department. It is the expectation of the committee of conference that the study will result in a larger measure of coordination or integration within the executive branch in the formulation and implementation of our foreign policy.

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST (CH. VII)

The committee of conference agreed to the language in the Senate amendment providing for the authorization of an appropriation to establish a Center for Cultural and Technical Interchange Between East and West. The activities to be carried out by the Center are those that will support the objectives of the United States Information and Educational Exchange Act of 1948 (the Smith-Mundt Act) and other acts promoting the international, educational, cultural, and related activities of the United States.

Last year the Congress directed the Secretary of State to submit to Congress before January 3, 1960, a plan and program for the establishment in Hawaii of an educational institution, for grants, fellowships, and other payments to outstanding scholars and to qualified students from the nations of the East and the West.

The Secretary of State filed a comprehensive report, as required. The language in the bill will permit the Secretary of State to carry out the recommendations contained in the report through any appropriate Federal or State agency or department. The establishment of such a Center is in keeping with the objectives of the mutual security program and will constitute a significant contribution toward better understanding between the people of Asia and the Pacific area and of the United States.

HEMISPHERIC CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE (CH. VIII)

The committee of conference agreed to the language in the Senate amendment designed to promote better relations and understanding between the United States and other nations of the Western Hemisphere by establishing in Puerto Rico a hemispheric center for cultural and technical interchange. The objectives of the center would be consonant with the objectives of our several international educational and cultural programs.

The new language authorizes, but does not require, the Secretary of State to make a study on all aspects of the proposed project and to submit a plan and program for the center and its activities and functions before January 3, 1961.

This section does not carry an authorization for an appropriation. The study will be financed from funds available to the executive branch.

THOMAS E. MORGAN,
A. S. J. CARNAHAN,
CLEMENT J. ZABLOCKI,
ROBERT B. CHIPERFIELD,
WALTER H. JUDD,
Managers on the Part of the House.

○

House of Representatives

FRIDAY, MAY 6, 1960

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 27: 1: *The Lord is my light and my salvation; whom shall I fear? the Lord is the strength of my life; of whom shall I be afraid?*

O Thou God of all grace and goodness, as Thou hast set before us an unknown day and an untraveled way, wilt Thou open our minds and hearts widely to Thy kindly light to lead us and Thy divine strength to sustain us.

Grant that we may be men and women of insight and understanding, whose life and labors, in the vast upheaval of these perilous days, are illumined and girded with a great faith, confident that Thou wilt have Thy way with us and our troubled world.

May nothing obscure or eclipse the prophet's vision of that glorious day when nations shall beat their swords into plowshares and their spears into pruning hooks and neither shall they learn war anymore.

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H.R. 1217. An act to suspend for 2 years the import duty on certain amorphous graphite;

H.R. 1456. An act for the relief of Universal Trades, Inc.;

H.R. 1752. An act for the relief of Wilhelmina Ordonez;

H.R. 2082. An act for the relief of James Demetrios Chrysanthes, also known as James Demetrios Chrysanthacopoulos;

H.R. 3786. An act for the relief of Chan Kit Ying and James George Bainter;

H.R. 3934. An act for the relief of Mrs. E. Christine Williams;

H.R. 4562. An act for the relief of Stanislaw Grzelewski;

H.R. 4825 An act for the relief of Jean K. Simmons;

H.R. 5349. An act to provide for the conveyance to Orange County, Calif., of all right, title, and interest of the United States in and to certain real property situated in Orange County, Calif.;

H.R. 6083. An act for the relief of Mary V. Jones;

H.R. 6493. An act for the relief of Robert Dolton;

H.R. 6843. An act for the relief of Daniel Wiging;

H.R. 7226. An act for the relief of Mr. Hughie D. Martin and Ione Martin;

H.R. 7254. An act for the relief of Simeen Helena Chaghaghi;

H.R. 7363. An act for the relief of Chester A. Spindler;

H.R. 8280. For the relief of Clarence T. Tolpo;

H.R. 8383. An act for the relief of Maj. Jack E. Hudson;

H.R. 8456. An act for the relief of Capt. Jack Rubley;

H.R. 8672. An act for the relief of Dr. Deh Chang Tao;

H.R. 8868. An act for the relief of the Albertson Water District, Nassau County, N.Y.;

H.R. 8941. An act for the relief of Mrs. Alice Anderson;

H.R. 9216. An act for the relief of Daniel C. Turner;

H.R. 9464. An act to remove the requirement that, of the Chief and Deputy Chief of the Bureau of Ships, one must be specially qualified and experienced in naval engineering and the other must be specially qualified and experienced in naval architecture;

H.R. 9476. An act for the relief of George E. Williams and William L. Johnson;

H.R. 9760. An act for the relief of Sam Doolittle;

H.R. 10164. An act to change the name of the locks and dam No. 41 on the Ohio River at Louisville, Ky.;

H.R. 10550. An act to extend the Export Control Act of 1949 for 2 additional years; and

H.J. Res. 598. Joint resolution to extend the time for filing of the final report of the Lincoln Sesquicentennial Commission.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H.R. 1607. An act for the relief of Mrs. Anne Morgan;

H.R. 4029. An act to amend the Internal Revenue Code of 1954 to eliminate the proration of the occupational tax on persons dealing in machineguns and certain other firearms, to reduce occupational and transfer taxes on certain weapons, to make the transferor and transferee jointly liable for the transfer tax on firearms, and to make certain changes in the definition of a firearm;

H.R. 6779. An act to amend section 170 of the Internal Revenue Code of 1954 (relating to the unlimited deduction for charitable contributions for certain individuals);

H.R. 8241. An act to amend certain provisions of the Civil Service Retirement Act relating to the reemployment of former Members of Congress;

H.R. 9308. An act to extend for 3 years the suspension of duty on imports of crude chicory and the reduction in duty on ground chicory;

H.R. 9465. An act to authorize the extension of a loan of a naval vessel to the Government of the Republic of China;

H.R. 9862. An act to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing; and

H.J. Res. 640. Joint resolution to authorize and request the President to issue a proclamation in connection with the centennial of the birth of General of the Armies John J. Pershing.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 1349. An act for the relief of Song Tai Song;

S. 1857. An act to promote the foreign trade of the United States in grapes and plums, to protect the reputation of American-grown grapes and plums in foreign markets, to prevent deception or misrepresentation as to the quality of such products moving in foreign commerce, to provide for the commercial inspection of such products entering such commerce, and for other purposes;

S. 2087. An act for the relief of Janis Papulis;

S. 2369. An act for the relief of Sachiko Kato;

S. 2499. An act for the relief of Halina Konik Wojtusiak;

S. 2528. An act for the relief of John Lipset;

S. 2575. An act to provide a health benefits program for certain retired employees of the Government;

S. 2618. An act to authorize the exchange of certain war-built vessels for more modern and efficient war-built vessels owned by the United States;

S. 2627. An act for the relief of Nicholas Anthony Marcantonakis;

S. 2635. An act for the relief of Maria Genowefa Kon Musial;

S. 2739. An act for the relief of Yu Sui Ling, also known as Yee Shui Ling;

S. 2769. An act for the relief of John George Sarkis Lindell;

S. 2792. An act for the relief of Luigia Mion;

S. 2821. An act for the relief of Kristina Selan;

S. 2822. An act for the relief of Low Wing Quey (Kwai);

S. 2833. An act for the relief of Sadako Suzuki;

S. 2857. An act to amend the Civil Service Retirement Act so as to provide for refunds of contributions in the case of annuitants whose length of service exceeds the amount necessary to provide the maximum annuity allowable under such act;

S. 2886. An act for the relief of Nikolija Lazic;

S. 2923. An act for the relief of Ki Su (Theresa) Moun;

S. 2966. An act for the relief of Antigone Apostolaki Cassel;

S. 2969. An act to authorize the award posthumously of appropriate medals to Chaplain George L. Fox, Chaplain Alexander D. Goode, Chaplain Clark V. Poling, and Chaplain John P. Washington;

S. 3081. An act for the relief of Irena Maria Koller;

S. 3114. An act for the relief of Adolphe Herstein;

S. 3327. An act for the relief of Jean Goedicke; and

S. Con. Res. 103. Concurrent resolution favoring the suspension of deportation in the cases of certain aliens.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate (S. 722) of the following title: "An act to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10401) entitled "An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1961."

The message also announced that the Senate requests the return to the Senate of the bill (H.R. 5421) entitled "An act to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status, and for other purposes."

The message also announced the appointment of the Senator from Iowa, [Mr. MARTIN], and the Senator from Ohio [Mr. YOUNG], to represent the Senate on the official delegation of the American Battle Monuments Commission to dedicate six of the World War II American military cemeteries in Europe during the period July 4–25, 1960.

THE LATE MARTIN L. SWEENEY

The SPEAKER. The Chair recognizes the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Speaker, I regret to announce to the Members of the House that the Honorable Martin L. Sweeney died in his sleep at his home in Westlake, a suburb of Cleveland. Martin Sweeney was my predecessor in Congress, representing the 20th Ohio District during the 72d through the 77th Congresses. Mr. Sweeney was a very colorful public figure. He served with distinction, with vigor, and devotion. He was a gentleman of strong character and firm convictions. He had served in the Ohio State Legislature in 1913–14 and served as a judge of the municipal court of Cleveland for 8 years preceding his election to Congress. Mr. Sweeney had been a public figure in Cleveland since 1912, and early in his career had won recognition by fighting for the principles in which he believed. He was a gifted orator. He had served as national president of the Ancient Order of Hibernians.

Mr. Sweeney had, in the past few years, retired from active participation in political affairs, but he had retained his keen interest in civic, national, and international affairs.

On April 15 Mr. Sweeney had observed his 75th birthday. To his widow, children, and grandchildren I extend my most sincere sympathy.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I was very sorry when I heard of the death of Martin Sweeney. The gentleman from Ohio [Mr. FEIGHAN] has very ably presented in a broad way the life of our late friend and former colleague. Martin Sweeney was a dedicated American, an outstanding legislator, and a man of unusual ability. He was very colorful. He and I became close friends during his service in this body, a friendship which continued in the intervening years up to the time of his death. I join my friend from Ohio in extending to Mrs. Sweeney and her loved ones my deep sympathy in their great loss and sorrow.

Mrs. BOLTON. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentlewoman from Ohio.

Mrs. BOLTON. Mr. Speaker, it was my privilege to know Martin Sweeney in Cleveland, not politically but as a friend. He was very generous, very delightful, and as the majority leader has said, a most colorful person. I think we are going to miss him in Cleveland. We are going to miss that color. We are going to miss some of the things he was famous for. I thank my colleague from Ohio very much for permitting me to have this little word this morning, and to send my sympathy to Mrs. Sweeney and to the family.

Mr. FEIGHAN. I thank the gentlewoman.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Iowa.

Mr. GROSS. I never had the pleasure of knowing the gentleman from Ohio, Mr. Sweeney, but he must have been something of a prophet. On the occasion of a visit of the King and Queen of England to Washington a good many years ago, Government buildings were ordered closed, and he suggested that among those buildings that ought to be closed tight was the U.S. Treasury. He must have been something of a prophet because since that time billions of dollars have gone down the drain in uncollected so-called loans to the British.

(Mr. FEIGHAN asked and was given permission to revise and extend his remarks.)

GENERAL LEAVE TO EXTEND

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days in which to extend their remarks on the life, character, and service of our former colleague, Martin Sweeney.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. VANIK. Mr. Speaker, I want to take this opportunity to join my distinguished colleague from Ohio, the Honorable MICHAEL A. FEIGHAN, in expressing sympathy at the untimely passing of the Honorable Martin L. Sweeney, former Member of Congress from the 20th District of Ohio, who was deceased on April 15.

During the years when the Honorable Martin L. Sweeney served in this Congress, between 1933 and 1944, he distinguished himself as an outspoken and dedicated crusader. He opposed political bosses and he opposed prohibition with equal zeal.

During his time in the Congress the Honorable Martin L. Sweeney was uniquely independent, both in thought and in action. He was colorful; he was challenging. During the troublesome days of the great depression he constantly endeavored to improve the plight of the people he represented.

Although he served the 20th Congressional District for 11 years, he was born in the district which I now represent.

I want to take this opportunity to extend words of comfort to his beloved wife, Mrs. Marie Sweeney, and his four devoted children.

FILING OF CONFERENCE REPORT ON MUTUAL SECURITY ACT OF 1960

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill (H.R. 11510) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. No. 1593)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11510) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Mutual Security Act of 1960'.

"STATEMENT OF POLICY

"SEC. 2. Section 2 of the Mutual Security Act of 1954, as amended, which is a statement of policy, is further amended by adding at the end thereof the following:

"'(f) It is the sense of the Congress that inasmuch as—

"'(1) the United States favors freedom of navigation in international waterways and economic cooperation between nations; and

"'(2) the purposes of this Act are negated and the peace of the world is endangered when nations which receive assistance under this Act wage economic warfare against other nations assisted under this Act, including such procedures as boycotts, blockades, and the restriction of the use of international waterways;

assistance under this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be administered to give effect to these principles, and, in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this Act or arising under the Agricultural Trade Development

and Assistance Act of 1954, as amended, these principles shall be applied, as the President may determine, and he shall report on measures taken by the Administration to insure their application.'

"CHAPTER I—MILITARY ASSISTANCE

"Military assistance

"SEC. 101. Chapter I of the Mutual Security Act of 1954, as amended, which relates to military assistance, is amended as follows:

"(a) In section 103, which relates to authorizations, insert the following new subsection (d):

"'(d) The value of programs of equipment and materials for American Republics, pursuant to any authority contained in this chapter other than section 106, in any fiscal year beginning with the fiscal year 1961, shall not exceed $55,000,000. For the purposes of this subsection, the value of nonexcess equipment and materials shall be as defined in section 545(h) of this Act, and the value of excess equipment and materials (as excess is defined in section 545(e) of this Act) shall mean the acquisition cost to the Armed Forces of the United States of such equipment and materials.'

"(b) In section 105(b)(4), which relates to conditions applicable to military assistance, strike out the last sentence.

"CHAPTER II—ECONOMIC ASSISTANCE

"Defense support

"SEC. 201. Title I of chapter II of the Mutual Security Act of 1954, as amended, which relates to defense support, is amended as follows:

"(a) In the first sentence of section 131(a), which relates to the authority of the President to furnish defense support, insert immediately before the period at the end thereof the following proviso: ': *Provided*, That either all documents, papers, communications, audits, reviews, findings, recommendations, reports, and other material which relate to operations or activities under this title are furnished to the General Accounting Office and to any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation, appropriations, or expenditures under this title, upon request of the General Accounting Office or such committee or subcommittee as the case may be, or the President certifies that he has forbidden the information to be furnished pursuant to such request and gives his reasons for doing so'.

"(b) In section 131(b), which relates to general authority, strike out '1960' and '$751,000,000' and substitute '1961' and '$675,000,000', respectively.

"(c) In section 141, which relates to conditions of eligibility for assistance, strike out 'No such assistance' in the second sentence and substitute 'No defense support or military equipment and materials'.

"(d) In section 142(a), which relates to agreements, strike out 'No assistance' in the introductory clause and substitute 'No defense support or military equipment and materials'.

"Development loan fund

"SEC. 202. Title II of chapter II of the Mutual Security Act of 1954, as amended, which relates to the Development Loan Fund, is amended as follows:

"(a) Amend section 201, which states the purposes of the Development Loan Fund, as follows:

"(1) In the last sentence, after 'to develop their economic resources' insert 'and free economic institutions', and after 'to increase their productive capabilities' insert 'in agriculture as well as in industry'.

"(2) At the end of the section, add the following new sentences: 'The Congress recognizes that the accomplishment of the purposes of this title in rapidly developing countries requires the development of free economic institutions and the stimulation of private investment, local as well as foreign, in the field of housing. It is the sense of the Congress that, consistent with the other purposes of this title, special consideration should be given to loans and guarantees to stimulate activities in this field.'

"(b) Amend section 202, which relates to general powers of the Development Loan Fund, as follows:

"(1) In clause (3) of the first sentence of subsection (b) insert 'or free economic institutions' after 'economic resources'.

"(2) At the end of the section, add the following new subsection:

"'(c) The Fund shall not allocate, reserve, earmark, commit, or otherwise set aside, funds aggregating in excess of $50,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country together with sufficient information and assurances to indicate reasonably that the funds will be used in an economically and technically sound manner, or (2) the President determines with respect to each such allocation, reservation, earmarking, commitment, or set-aside that it is in the national interest to use such funds pursuant to multilateral plans.'

"(c) In section 205(a), which relates to management, powers, and authorities, strike out 'Under Secretary of State for Economic Affairs' in the first sentence and substitute 'Secretary of State'.

"Technical cooperation

"SEC. 203. Title III of chapter II of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is amended as follows:

"(a) In section 304, which relates to authorization, strike out '$179,500,000' and '1960' and substitute '$172,000,000' and '1961', respectively.

"(b) Amend section 306, which relates to multilateral technical cooperation and related programs, as follows:

"(1) In subsection (a), which relates to contributions to the United Nations Expanded Program of Technical Assistance and related fund, strike out '$30,000,000' and '1960' and substitute '$33,000,000' and '1961', respectively.

"(2) In subsection (b), which relates to contributions to the technical cooperation program of the Organization of American States, strike out '1960' and substitute '1961'.

"(c) In section 307, which relates to advances and grants, insert '(a)' immediately after 'SEC. 307. ADVANCES AND GRANTS; CONTRACTS.—', and at the end thereof add the following:

"'(b) The President shall arrange for a nongovernmental research group, university, or foundation to study the advisability and practicability of a program, to be known as the Point Four Youth Corps, under which young United States citizens would be trained and serve abroad in programs of technical cooperation. Not to exceed $10,000 from funds made available pursuant to section 304 of this Act may be used to help defray the expenses of such a study.'

"(d) Repeal section 308, which relates to the International Development Advisory Board.

"Special assistance and other programs

"SEC. 204. Title IV of chapter II of the Mutual Security Act of 1954, as amended, which relates to special assistance and other programs, is amended as follows:

"(a) In section 400(a), which relates to special assistance, strike out '1960' and '$247,500,000' and substitute '1961' and '$256,000,000', respectively.

"(b) In section 401, which relates to the United Nations Emergency Force, strike out '1960' in the second sentence and substitute '1961'.

"(c) In section 402, which relates to earmarking of funds, strike out '1960' in the first sentence and substitute '1961'.

"(d) In section 403, which relates to responsibilities in Germany, strike out '1960' and '$7,500,000' in the first sentence and substitute '1961' and '$6,750,000', respectively.

"(e) Insert after section 403 the following new section 404:

"'SEC. 404. INDUS BASIN DEVELOPMENT.—The Congress of the United States welcomes the progress made through the good offices of the International Bank for Reconstruction and Development toward the development of the Indus Basin through a program of cooperation among south Asian and other nations of the free world in order to promote economic growth and political stability in south Asia, and affirms the willingness of the United States, pursuant to authorities contained in this and other Acts, to participate in this significant undertaking. In the event that funds appropriated pursuant to this Act are made available to be used by or under the supervision of the International Bank for Reconstruction and Development in furtherance of the foregoing purposes, such funds may be used in accordance with requirements, standards, or procedures established by the Bank concerning completion of plans and cost estimates and determination of feasibility, rather than with requirements, standards, or procedures concerning such matters set forth in this or other Acts; and such funds may also be used without regard to the provisions of section 901(b) of the Merchant Marine Act of 1936, as amended (46 U.S.C. 1241), whenever the President determines that such provisions cannot be fully satisfied without seriously impeding or preventing accomplishment of such purposes: *Provided*, That compensating allowances are made in the administration of other programs to the same or other areas to which the requirements of said section 901(b) are applicable.'

"(f) Amend section 405, which relates to migrants, refugees, and escapees, as follows:

"(1) In subsection (c), which relates to contributions to the program of the United Nations High Commissioner for Refugees, strike out '1960' and '$1,100,000' and substitute '1961' and '$1,300,000', respectively.

"(2) In subsection (d), which relates to the continuation of activities undertaken for selected escapees, strike out '1960' and '$5,200,000' and substitute '1961' and '$3,500,000', respectively.

"(g) In section 406, which relates to children's welfare, strike out '1960' and substitute '1961'.

"(h) Amend section 407, which relates to Palestine refugees in the Near East, to read as follows:

"'SEC. 407. PALESTINE REFUGEES IN THE NEAR EAST.—There is hereby authorized to be appropriated to the President for the fiscal year 1961 not to exceed $16,500,000 to be used to make contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East. In determining whether or not to continue furnishing assistance for Palestine refugees in the Near East, the President shall take into account whether Israel and the Arab host governments are taking steps toward the resettlement and repatriation of such refugees. It is the sense of the Congress that the earliest possible rectification should be made of the Palestine refugee rolls in order to assure that only bona fide refugees whose need and eligibility for relief have been certified shall receive aid from the Agency and that the President in determining whether or not to make United States contributions to the Agency should take into consideration the

extent and success of efforts by the Agency and the host governments to rectify such relief rolls. The President shall include in his recommendations to the Congress for fiscal year 1962 programs under this Act a report concerning the progress made toward the rectification of the relief rolls as well as toward the repatriation and resettlement of the refugees by the governments directly concerned. Whenever the President shall determine that it would more effectively contribute to the relief, repatriation, and resettlement of Palestine refugees in the Near East he may expend any part of the funds made available pursuant to this section through any other agency he may designate.'

"(i) Section 409, which relates to ocean freight charges, is amended as follows:

"(1) In subsection (a), after 'such nations and areas' insert ', or, in the case of such nations and areas which are landlocked, transportation charges from the United States ports to designated points of entry in such nations and areas,'.

"(2) In subsection (c), strike out '1960' and '$2,300,000' and substitute '1961' and '$2,000,000', respectively.

"(j) Amend section 411, which relates to administrative and other expenses, as follows:

"(1) In subsection (b), which relates to certain expenses of administering nonmilitary assistance, strike out '1960' and '$39,500,000' and substitute '1961' and '$40,000,000', respectively.

"(2) In subsection (c), which relates to administrative and other expenses of the Department of State, strike out 'to' after 'appropriated' and substitute 'for expenses of'.

"(k) Section 412, which relates to the President's special education and training fund, is repealed.

"(l) In section 419(a), which relates to atoms for peace, strike out '1960' and '$6,500,000' and substitute '1961' and '$3,400,000', respectively.

"(m) Add the following new section after section 420:

"'SEC. 421. LOANS TO SMALL FARMERS.—It is the policy of the United States and the purpose of this section to strengthen the economies of underdeveloped nations, and in nations where the economy is essentially rural or based on small villages, to provide assistance designed to improve agricultural methods and techniques, to stimulate and encourage the development of local programs of self-help and mutual cooperation, particularly through loans of foreign currencies for associations of operators of small farms, formed for the purpose of joint action designed to increase or diversify agricultural productivity. The maximum unpaid balance of loans made to any association under this section may not exceed $25,000 at any one time; and the aggregate unpaid balance of all loans made under this section may not exceed $10,000,000' at any one time.

"CHAPTER III—CONTINGENCY FUND

"SEC. 301. Section 451(b) of the Mutual Security Act of 1954, as amended, which relates to the President's special authority and contingency fund, is amended by striking out '1960' and '$155,000,000' in the first sentence and substituting '1961' and '$150,000,000', respectively.

"CHAPTER IV—GENERAL AND ADMINISTRATIVE PROVISIONS

"SEC. 401. Chapter IV of the Mutual Security Act of 1954, as amended, which relates to general and administrative provisions, is amended as follows:

"(a) Section 502, which relates to use of foreign currency, is amended as follows:

"(1) Subsection (b) is amended as follows:

"(i) Insert after the word 'expended' in the proviso the words 'and the amounts of dollar expenditures made from appropriated funds in connection with travel outside the United States'.

"(ii) Amend the second sentence to read as follows: 'Within the first sixty days that Congress is in session in each calendar year, the chairman of each such committee shall prepare a consolidated report showing the total itemized expenditures during the preceding calendar year of the committee and each subcommittee thereof, incurred as a result of the official activities of the members and employees of such committee or subcommittee, and shall forward such consolidated report to the Committee on House Administration of the House of Representatives (if the committee be a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Committee on Appropriations of the Senate (if the committee be a Senate committee or a joint committee whose funds are disbursed by the Secretary of the Senate).'

"(2) At the end of the section, add the following new subsection:

"'(c) It is the sense of the Congress that prompt and careful consideration should be given to participation by the United States in an internationally financed program which would utilize foreign currencies available to the United States to preserve the great cultural monuments of the Upper Nile. Accordingly, the President is requested to submit to the Congress on or before March 1, 1961, his recommendations concerning such a program.'

"(b) Section 504(d), which relates to small machine tools and other industrial equipment, is repealed.

"(c) In section 505(a), which relates to loan assistance and sales, insert after the first sentence the following new sentence: 'Commodities, equipment, and materials transferred to the United States as repayment may be used for assistance authorized by this Act, other than title II of chapter II, in accordance with the provisions of this Act applicable to the furnishing of such assistance.'.

"(d) In section 513, which relates to notice to legislative committees, insert before ', and copies' in the last sentence the following: 'and under the last clause of the second sentence of section 404'.

"(e) Amend section 517, which relates to completion of plans and cost estimates, as follows:

"(1) Insert '(a)' immediately after 'SEC. 517. COMPLETION OF PLANS AND COST ESTIMATES.—'.

"(2) Add the following at the end of such section:

"'(b) Plans required under this section for any water or related land resource construction project or program shall include a computation of benefits and costs made insofar as practicable in accordance with the procedures set forth in Circular A-47 of the Bureau of the Budget with respect to such computations.'

"(f) Amend section 523, which relates to coordination with foreign policy, by adding the following new subsection:

"'(d) Whenever the President determines that the achievement of United States foreign policy objectives in a given country requires it, he may direct the chief of the United States diplomatic mission there to issue regulations applicable to members of the Armed Forces and officers and employees of the United States Government, and to contractors with the United States Government and their employees, governing the extent to which their pay and allowances received and to be used in that country shall be paid in local currency. Notwithstanding any other law, United States Government agencies are authorized and directed to comply with such regulations.'

"(g) Amend section 527, which relates to employment of personnel, as follows:

"(1) In subsection (c), which relates to employment of personnel outside the United States, strike out 'Director' in the introductory clause and substitute 'President'; and insert before the period at the end of paragraph (2) the following new proviso: ': *Provided further*, That Foreign Service Reserve officers appointed or assigned pursuant to this paragraph shall receive in-class promotions in accordance with such regulations as the President may prescribe'.

"(2) In subsection (d), which relates to appointment of alien employees outside the United States, strike out ', at the request of the Director'.

"(h) Section 531, which relates to security clearance, is amended to read as follows:

"'SEC. 531. SECURITY CLEARANCE.—The standards and procedures set forth in Executive Order Numbered 10450, as amended or supplemented, shall apply to the employment under this Act by any agency administering nonmilitary assistance of any citizen or resident of the United States.'

"(i) In subsection (c) of section 533A, relating to the Inspector General and Comptroller, strike out paragraph (9) and renumber paragraphs (10) and (11) as paragraphs (9) and (10), respectively.

"(j) In section 534(a), which relates to reports, strike out 'six months' in the first sentence and substitute 'fiscal year'.

"(k) In section 537(a), which relates to provisions on uses of funds, amend paragraph (3) to read as follows:

"'(3) contracting with individuals for personal services abroad: *Provided*, That such individuals shall not be regarded as employees of the United States for the purpose of any law administered by the Civil Service Commission;'.

"(l) In section 537(c), which relates to construction or acquisition of facilities abroad, strike out '$2,750,000' and substitute '$4,250,000'.

"(m) Add the following new section immediately after section 551:

"'SEC. 552. ASSISTANCE TO CUBA.—No assistance shall be furnished under this Act to Cuba after the date of enactment of the Mutual Security Act of 1960 unless the President determines that such assistance is in the national and hemispheric interest of the United States.'

"CHAPTER V—TECHNICAL AMENDMENTS REFLECTING NEW LIMITS OF UNITED STATES

"SEC. 501. The Mutual Security Act of 1954, as amended, is amended as follows:

"(a) In section 205(c), strike out 'continental' in the twelfth clause of the first sentence.

"(b) In section 411(d), strike out 'the continental limits of'.

"(c) In section 527(c), strike out 'the continental limits of' in the introductory clause.

"(d) In section 527(d), strike out 'the continental limits of'.

"(e) In section 530(a), strike out 'the continental limits of'.

"(f) In section 537(a), strike out 'continental' in the last proviso of paragraph (5) and in paragraphs (13) and (17); and strike out 'the continental limits of' in paragraph (10).

"CHAPTER VI—AMENDMENTS TO OTHER LAWS

"SEC. 601. Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1721 and the following), which relates to famine relief and other assistance, is amended as follows:

"(a)(1) In section 202, strike out 'The' at the beginning thereof and substitute the following: 'In order to facilitate the utilization of surplus agricultural commodities in meeting the requirements of needy peoples,

and in order to promote economic development in underdeveloped areas in addition to that which can be accomplished under title I of this Act, the'.

"(2) The amendment made by this subsection shall expire June 30, 1961.

"(b) In section 203, which relates to delivery of relief supplies, in the third sentence after the words 'designated ports of entry abroad' insert ', or, in the case of landlocked countries, transportation from United States ports to designated points of entry abroad,', and before the period at the end of such sentence insert the following: ', and charges for general average contributions arising out of the ocean transport of commodities transferred pursuant hereto may be paid from such funds'.

"SEC. 602. Section 501(b) of the Mutual Security Act of 1959 (73 Stat. 256), which relates to international cooperation in health, is repealed.

"SEC. 603. Section 3(a) of Public Law 403, Eightieth Congress, as amended (22 U.S.C. 280b), which relates to United States membership in the South Pacific Commission, is amended by striking out '$75,000' and substituting '$100,000'.

"SEC. 604. The President shall have a study made of the functions of, and the degree of coordination among, agencies engaged in foreign economic activities, including the Department of State, the International Cooperation Administration, the Development Loan Fund, the Export-Import Bank, and the Department of Agriculture, with a view to providing the most effective means for the formulation and implementation of United States foreign economic policies. The President shall include in his presentation to the Congress of the fiscal year 1962 mutual security program his findings and recommendations resulting from such study.

"CHAPTER VII—CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

"SEC. 701. This chapter may be cited as the 'Center for Cultural and Technical Interchange Between East and West Act of 1960'.

"SEC. 702. The purpose of this chapter is to promote better relations and understanding between the United States and the nations of Asia and the Pacific (hereinafter referred to as 'the East') through cooperative study, training, and research, by establishing in Hawaii a Center for Cultural and Technical Interchange Between East and West where scholars and students in various fields from the nations of the East and West may study, give and receive training, exchange ideas and views, and conduct other activities primarily in support of the objectives of the United States Information and Educational Exchange Act of 1948, as amended, title III of chapter II of the Mutual Security Act of 1954, and other Acts promoting the international, educational, cultural, and related activities of the United States.

"SEC. 703. In order to carry out the purpose of this chapter the Secretary of State (hereinafter referred to as the 'Secretary') shall provide for—

"(1) the establishment and operation in Hawaii of an educational institution to be known as the Center for Cultural and Technical Interchange Between East and West, through arrangements with public, educational, or other nonprofit institutions;

"(2) grants, fellowships, and other payments to outstanding scholars and authorities from the nations of the East and West as may be necessary to attract such scholars and authorities to the Center;

"(3) grants, scholarships, and other payments to qualified students from the nations of the East and West as may be necessary to enable such students to engage in study or training at the Center; and

"(4) making the facilities of the Center available for study or training to other qualified persons.

"SEC. 704. (a) In carrying out the provisions of this chapter, the Secretary may utilize his authority under the provisions of the United States Information and Educational Exchange Act of 1948, as amended.

"(b) The Secretary may, in administering the provisions of this chapter, accept from public and private sources money and property to be utilized in carrying out the purposes and functions of the Center. In utilizing any gifts, bequests, or devises accepted there shall be available to the Secretary the same authorities as are available to him in accepting and utilizing gifts, bequests, and devises to the Foreign Service Institute under the provisions of title X, part C of the Foreign Service Act of 1946, as amended. For the purposes of Federal income, estate, and gift taxes, any gift, devise, or bequest accepted by the Secretary under the authority of this chapter shall be deemed to be a gift, devise, or bequest to or for the use of the United States.

"(c) The Secretary shall make an annual report to the Congress with respect to his activities under the provisions of this chapter, and such report shall include any recommendations for needed revisions in this chapter.

"SEC. 705. There are authorized to be appropriated, to remain available until expended, such amounts as may be necessary to carry out the provisions of this chapter.

"CHAPTER VIII—HEMISPHERIC CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE

"Statement of purpose

"SEC. 801. The purpose of this chapter is to promote better relations and understanding between the United States and the other nations of the Western Hemisphere (hereinafter referred to as 'the Hemisphere') through cooperative study and research, by establishing in Puerto Rico a Hemispheric Center for Cultural and Technical Interchange, either as a branch of an existing institution of higher learning or as a separate institution, where scholars and students, in various fields from the nations of the the Hemisphere may meet, study, exchange ideas and views, and conduct other activities primarily in support of the objectives of the United States Information and Educational Exchange Act of 1948, as amended, and title III of chapter II of the Mutual Security Act of 1954 and other Acts promoting the international educational, cultural, and related activities of the United States.

"Establishment of Center

"SEC. 802. In order to carry out the purposes of this chapter the Secretary of State (hereinafter referred to as 'Secretary'), after consultation with appropriate public and private authorities, may, on or before January 3, 1961, prepare and submit to the Congress a plan and program for—

"(1) the establishment and operation in Puerto Rico of an educational institution to be known as the Hemispheric Center for Cultural and Technical Interchange through arrangements to be made with public, educational, or other nonprofit institutions;

"(2) grants, fellowships, and other payments to outstanding scholars and authorities from the nations of the Hemisphere as may be necessary to attract such scholars and authorities to the Center;

"(3) grants, scholarships, and other payments to qualified candidates from the nations of the Hemisphere as may be necessary to enable such students to engage in study at the Center; and

"(4) making the facilities of the Center available for study to other qualified persons on reasonable basis."

And the Senate agree to the same.

THOMAS E. MORGAN,
A. S. J. CARNAHAN,
CLEMENT J. ZABLOCKI,
ROBERT B. CHIPERFIELD,
WALTER H. JUDD,
Managers on the Part of the House.

J. W. FULBRIGHT,
THEODORE FRANCIS GREEN,
JOHN J. SPARKMAN,
ALEXANDER WILEY,
BOURKE B. HICKENLOOPER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11510) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate struck out all of the House bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the House bill and the Senate amendment. Except for clarifying, clerical, and necessary conforming changes, the differences are noted below:

INTRODUCTION

The House bill authorized an appropriation of $1,318,400,000 for fiscal year 1961. The Senate amendment authorized an appropriation of $1,405,500,000. The committee of conference adjusted the individual program amounts and agreed on a total authorization of $1,366,200,000 for fiscal year 1961. The authorization agreed upon is a reduction of $39,300,000 from the Senate amount and an increase of $47,800,000 over the House figure.

There were five amounts in the House bill from which the Senate amendment differed. On two of them the Senate receded—defense support, for a reduction from the Senate figure of $25 million; and special assistance, a reduction of $4 million. The two Houses split the $400,000 difference for the U.N. High Commissioner for Refugees and agreed to a final figure of $1,300,000. On the amount for Palestine refugees, the Senate receded from its position cutting off unobligated funds, and the House managers reduced their figure by $2 million with the understanding that approximately $6,500,000 of unobligated funds would be made available. For the contingency fund the difference between the House bill and the Senate amendment was $55 million. On this the House increased its figure by $50 million and the Senate cut its figure by $5 million.

Fiscal analysis of mutual security program for fiscal year 1961

[In thousands of dollars]

Program	House bill (1)	Senate amendment (2)	Conference substitute (3)	Adjustment against House bill (4)	Adjustment against Senate amendment to House bill (5)
Chapter:					
I. Military assistance: Sec. 103(a): General authorization	[1]	[1]	[1]		
II. Economic assistance:					
Title I—Defense support: Sec. 131(b)	675,000	700,000	675,000		−25,000
Title II—Development Loan Fund: Sec. 203: Capitalizatiou	[1]	[1]	[1]		
Title III—Technical cooperation:					
Sec. 304: General authorization	172,000	172,000	172,000		
Sec. 306: Multilateral technical cooperation and related programs:					
(a) U.N. technical assistance	33,000	33,000	33,000		
(b) Organization of American States	1,500	1,500	1,500		
Total, title III	206,500	206,500	206,500		
Title IV—Special assistance and other programs:					
Sec. 400(a): Special assistance	256,000	260,000	256,000		−4,000
Sec. 405: Migrants, refugees, and escapees:					
(a) Intergovernmental Committee for European Migration	[1]	[1]	[1]		
(c) U.N. High Commissioner for Refugees	1,500	1,100	1,300	−200	+200
(d) Escapee program	3,500	3,500	3,500		
Sec. 406: Children's welfare	12,000	12,000	12,000		
Sec. 407: Palestine refugees	18,500	[2] 22,000	[3] 16,500	−2,000	−5,500
Sec. 408(a): NATO science program	[1]	[1]	[1]		
Sec. 409(e): Ocean freight charges on voluntary relief shipments	2,000	2,000	2,000		
Sec. 410: Control Act expenses					
Sec. 411: Administrative and other expenses:					
(b) Administrative and other expenses (other than ch. I and title II of ch. II)	40,000	40,000	40,000		
(c) State Department administrative expenses	[1]	[1]	[1]		
Sec. 419(a): Atoms for peace	3,400	3,400	3,400		
Total, title IV	336,900	344,000	334,700		
Total, ch. II	1,218,400	1,250,500	1,216,200		
III. Contingency fund: Sec. 451(b)	100,000	155,000	150,000	+50,000	−5,000
Total	1,318,400	1,405,500	1,366,200	+47,800	−39,300

[1] Authorization contained in the Mutual Security Act.

[2] This total does not include unobligated balances of prior year appropriations requested to be continued available. Unobligated funds of approximately $6,500,000 which the administration proposal and House bill would have made available for use in 1961 are to revert to the Treasury. Although the Senate amendment authorizes a 1961 appropriation of $3,500,000 more than the House bill and the administration request, it will result in a total availability of $3,000,000 less.

[3] Does not include unobligated balances from prior year appropriations amounting to $6,500,000 which are authorized to be continued available.

MILITARY ASSISTANCE TO LATIN AMERICA (SEC. 101)

The House bill amended section 105(b)(4) to limit the aggregate amount of funds which might be obligated or reserved for military assistance to Latin America in fiscal year 1961 to the total for fiscal year 1960. The ceiling included training as well as materiel but did not apply to "excess" materiel or to reimbursable transactions under sections 103(c) and 106.

The Senate amendment added a new section 103(d) to limit the value of programs of military materiel beginning with fiscal year 1961 to $55 million. This ceiling included "excess" as well as nonexcess materiel and also applied to reimbursable transactions under section 103(c), which are financed with military assistance funds. It did not apply to training or to reimbursable transactions under section 106, which are not financed with military assistance funds. The Senate amendment also provided that in no case should any reimbursement to the Department of Defense and the military services for excess equipment exceed the usual value of excess equipment as determined under section 545(h).

The committee of conference was in agreement that U.S. assistance to the American Republics in the form of military materiel should be progressively reduced and that a ceiling should be imposed on the use of mutual security funds for this purpose. The managers on the part of the House accepted the language of the Senate amendment, except for the deletion of a provision relating to reimbursement for excess equipment which did not in any way alter the requirements already in effect under sections 522(c) and 545(h) of the Mutual Security Act.

The provision as agreed upon sets an annual limitation of $55 million beginning with the fiscal year 1961. This ceiling includes excess as well as nonexcess materiel and reimbursable transactions financed with military assistance funds. It does not apply to training or to reimbursable transactions under section 106.

SUBMISSION OF DOCUMENTS AND INFORMATION TO THE CONGRESS (SEC. 201(a))

The House bill added a proviso to section 131(b) of the Mutual Security Act of 1954, as amended, requiring that all documents relating to defense support operations be furnished upon request to the General Accounting Office or any authorized congressional committee. The Senate amendment did not contain a provision on this subject.

The Senate amendment, however, included a provision striking out the existing language of section 537(f) of the Mutual Security Act of 1954, as amended, which specifies the information to be submitted to Congress in connection with certain types of economic assistance and substituted for this provision a new requirement, outlining information to be submitted to the Congress in relation to military assistance.

The managers on the part of the House accepted a compromise according to which the provision of existing law relating to economic assistance, section 537(f), was retained while the new language contained in section 401(j) of the Senate amendment was deleted.

In addition, the provision in section 201(a) of the House bill was amended so as to require that if a request for any document or material is denied by the Executive, the President must certify that he has forbidden the furnishing of such document or material.

The Committee of Conference recognizes that the separation of powers under the Constitution makes it impossible for the Congress to infringe the prerogatives of the Executive by legislative action and that consequently this provision would serve to indicate the will of the Congress but that it could neither prescribe nor limit the constitutional powers of the Executive.

INCREASING DEVELOPMENT LOAN FUND EMPHASIS ON DEVELOPMENT OF FREE ECONOMIC INSTITUTIONS AND ON ENCOURAGEMENT OF PRIVATE INVESTMENT IN HOUSING (SEC. 202 (a) AND (b))

The Senate amendment added to the purposes of the Development Loan Fund the development of free economic institutions and the development of agriculture as well as industry. It also required the Development Loan Fund to take into consideration the contribution of any proposed financing activity to the development of free economic institutions. The Senate amendment also expressed the sense of the Congress that the Development Loan Fund should give special consideration to loans and guarantees to stimulate the development of free economic institutions and private investment in the field of housing in rapidly developing countries.

In addition, the Senate amendment included an expression of the sense of Congress that the Development Loan Fund should assist in the development of self-liquidating pilot housing projects in the American Republics.

The House bill contained no similar provisions.

The managers on the part of the House accepted the Senate provisions relating to the stimulation of private investment in housing on a worldwide basis and the other provisions broadening the purposes of the Development Loan Fund.

The Senate conferees, in accepting the deletion of the Senate provision relating to housing projects in Latin American countries, emphasized the fact that existing law already provides adequate authority for

establishing or assisting in the establishment of savings and loan type institutions in foreign countries and for guaranteeing private U.S. capital for investment in private housing in Latin American countries.

The committee of conference was in agreement as to the desirability and the importance of encouraging the development of self-liquidating pilot housing projects in the American Republics and calls the attention of the Executive to the need for greater emphasis on this type of activity.

DEVELOPMENT LOAN FUND SPECIAL ADVANCE COMMITMENTS (SEC. 202(b)(2))

The House bill added a new section 202(c) which prohibited the Development Loan Fund Board of Directors from formally allocating, committing, reserving, setting aside, or earmarking funds in excess of $50,000 for use in any country unless an application or applications in excess of the amount to be committed for loans in such country had been received, supported by engineering, financial, or other data, or unless the President personally determined it to be in the national interest to use such funds pursuant to multilateral plans.

The Senate amendment contained no provision on this subject.

The managers on the part of the House accepted an amendment to the House provision, which requires that before funds are allocated by the Development Loan Fund "sufficient information and assurances" must have been received "to indicate reasonably that the funds will be used in an economically and technically sound manner" in place of the more specific language contained in the House bill.

The committee of conference agreed that the limitation on advance allocations, reservations, earmarks, commitments, or set-asides by the Fund definitely applies to any formal action by the Fund's Board of Directors which would either bind the Fund or constitute a basis for representing to the Congress that a given sum cannot be used for other purposes. It does not mean that the Fund's staff cannot, or should not as prudent bankers, informally discuss priorities of various proposals with prospective borrowers, or internally prepare work programs and give special attention to applications from key countries. It should be noted here that just last year the Congress directed in section 202(b) of the Act that the Fund "in its operations shall recognize that development loan assistance will be most effective in those countries which show a responsiveness to the vital long-term economic, political, and social concerns of their people, demonstrate a clear willingness to take effective self-help measures." Obviously assistanec to projects and programs in such countries are to be given priority.

Secondly, the information and assurances called for are those appropriate to forming a judgment that the allocation will result in economically and technically sound uses. These would include an appraisal of the competence and past performance of the entities submitting the applications and their understanding that loans be available only for projects and programs which meet the requirements of section 517. Depending on the development need involved, the Fund will continue to be available to finance such specific projects as dams, industrial enterprises and development banks and loans for programs which may either be a group of related projects or portions of overall plans or programs for economic development.

POINT FOUR YOUTH CORPS (SEC. 203(c))

The House report accompanying the bill included an endorsement of the Point Four Youth Corps and expressed the committee's desire for a comprehensive survey of the possibilities of developing a program for using the services of American youth under the mutual security program. The Senate amendment to the House bill included a specific provision requiring the President to arrange for such a study by a nongovernmental group and authorized the use of not more than $10,000 from technical cooperation funds to help defray the expenses of the study. The managers on the part of the House accepted the Senate language.

ARMAMENTS FOR THE NEAR EAST (SEC. 204(a))

The House bill amended section 400(a) of the act to express the sense of Congress that money made available for special assistance should not be used by any nation in the Near East to purchase armaments. The Senate amendment did not contain this language. While sympathetic to the overall objectives, the committee of conference decided that the implications of the language might make more difficult the achievement of our foreign policy objectives in that area.

INDUS BASIN—50–50 SHIPPING REQUIREMENT (SEC. 204(e))

The House bill added a proviso at the end of the second sentence of the new section 404 which authorizes the waiver of the 50–50 shipping requirement in connection with U.S. participation in the development of the Indus Basin. This proviso required that compensating allowances be made in the administration of other programs to the same area to which the 50–50 shipping requirement is applicable. The Senate amendment did not contain a comparable provision.

The committee of conference considered the possibility that, since the Indus Basin development project involves a period presently estimated at 10 years, it might be impossible at some future date to make compensating allowances on shipments under other programs to the same area.

The managers on the part of the House, therefore, accepted an amendment which extends the scope of compensating allowances to include shipments not only to the same area but to other areas. This broadening of the provision in the House bill should assure fulfillment of the objectives of the 50–50 shipping requirement on a worldwide basis.

PALESTINE REFUGEES (SEC. 204(h))

The House bill deleted the proviso in section 407, which earmarked a percentage of the funds for resettlement and repatriation, and amended section 407 to authorize an appropriation of $18.5 million for contribution to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA), which, together with the use of reappropriations, would permit a total contribution of $25 million.

The Senate amendment deleted the proviso in section 407 and amended section 407: (1) to authorize an appropriation of $22 million and to bar reappropriation of unobligated funds heretofore or hereafter appropriated under section 407; (2) to provide that after January 1, 1961, the U.S. contributions should not be used for relief programs except for refugees who had been certified as to need and eligibility after July 1, 1960; and (3) to require the President in the next fiscal year presentation to submit specific recommendations with respect to a program for the progressive repatriation and resettlement of refugees and for reducing the U.S. contribution to UNRWA.

The committee of conference agreed that the United States shall make progressive reductions of its annual contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East, that there shall be a consistent effort to rectify the Palestine refugee rolls in order to assure that only bona fide refugees in need are included, and that a continued and vigorous effort shall be made toward the repatriation and resettlement of the refugees by the governments directly concerned.

The managers on the part of the House accepted a compromise which authorizes an appropriation of $16,500,000 for the fiscal year 1961. This amount, together with the $6,500,000 previously appropriated for resettlement but not used, would authorize for fiscal year 1961 a total of $23 million, which is $2 million below the total amount for this purpose in the House bill and $1 million above the total amount contained in the Senate amendment. It also expresses the sense of the Congress with respect to the rectification of the refugee rolls and directs the President to include in his recommendations to the Congress for fiscal year 1962 a report concerning the progress made toward rectification of the relief rolls and toward the repatriation and resettlement of the refugees.

TRANSPORTATION CHARGES TO LANDLOCKED COUNTRIES (SECS. 204(i) AND 601(b))

The committee of conference accepted a Senate amendment to section 409(a) which relates to ocean-freight charges to permit payment of transportation charges to points of entry in landlocked countries.

At present there is authority to use mutual security funds to pay ocean transportation for voluntary agency shipments to "ports of entry" in foreign countries. There is no authority, however, to pay overland transportation to points of entry in landlocked countries which do not have ports. The adoption of the Senate amendment will remove an inequity which a few countries suffer solely on account of geography.

The committee of conference accepted a similar amendment to section 203 of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480). The new language will authorize the payment of overland transportation charges to landlocked countries on title II and title III shipments.

LOANS TO SMALL FARMERS (SEC. 204(m))

The House bill added a new section 421 which stated it to be the policy of the United States to strengthen the economies of underdeveloped nations and to provide assistance designed to improve agricultural methods and techniques and encourage programs of self-help, particularly through loans of foreign currencies to associations of small farm operators. The new section 421 also imposed certain monetary ceilings on loans made under that section.

The Senate amendment contained no provision on this subject.

The committee of conference accepted the provision of the House bill with an amendment to the first sentence in which the word "for" was substituted for the word "to" in reference to associations of operators of small farms. This amendment is intended to make clear that loans of foreign currencies for such associations are not expected to be made directly by agencies of the United States, but would instead be made through agencies or institutions of foreign governments.

CONGRESSIONAL TRAVEL ACCOUNTING (SEC. 401(a)(1))

The Senate bill amended section 502(b), which requires an itemized reporting of congressional travel expenditures in foreign currencies, in two particulars. The new Senate language broadened the provisions of existing law to require itemized reporting of "the amount of dollar expenditures made from appropriated funds in connection with travel outside the United States." The Senate amendment also provided that the reports on congressional travel, which are published annually in the CONGRESSIONAL RECORD, should include the names of each Member and employees incurring local currency or dollar travel expenses. The committee of conference accepted the Senate

language with an amendment. The language agreed upon tightens the provisions of existing law and makes it clear that the funds to be reported include both local currencies or dollars from appropriated funds expended "as a result of the official activities of Members and employees of congressional committees or subcommittees," and that committee chairmen, in complying with the provisions of section 502, submit annually for publication in the CONGRESSIONAL RECORD consolidated reports which show the total itemized expenditures in appropriated dollars and local currencies of the Members and employees of their committees and subcommittees.

CULTURAL MONUMENTS OF UPPER NILE (SEC. 401(a)(2))

The Senate amendment added a new section 502(c) which provided that if the President found that U.S. participation in an internationally financed program to preserve the cultural monuments of the Upper Nile would promote U.S. foreign policy, he might, notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, and subject to congressional approval, contribute certain U.S.-owned foreign currencies for this purpose of a value not to exceed 33⅓ percent of the total cost of the program. It also provided that no such currencies might be used unless the President was satisfied the remaining cost would be borne by other nations.

The House bill contained no provision on this subject.

The managers on the part of the House accepted a substitute in the nature of a compromise, expressing the sense of the Congress that consideration should be given by the United States to participation in an internationally financed program which would utilize foreign currencies available to the United States to preserve the cultural monuments of the Upper Nile and requesting the President to submit to the Congress on or before March 1, 1961, his recommendations concerning such a program. The language agreed to does not commit the United States to any course of action nor does it authorize any use of foreign currencies.

WATER RESOURCES PROJECTS (SEC. 401(e))

The House bill added a new section 517(b) which required nonmilitary flood control, reclamation, and other water and related land resource programs or projects proposed for construction to be examined by qualified engineers financed under the Mutual Security Act in accordance with the general procedures prescribed in Circular A–47 of the Bureau of the Budget. The House language also called for a determination of the benefits and costs and the submission of a copy of the determination to the Congress and prohibited the undertaking of any such program or project on which the benefits do not exceed the costs and which does not otherwise meet the standards and criteria used in determining feasibility of similar domestic programs and projects in accordance with Circular A–47. The Senate amendment did not contain any provision on this subject.

The committee of conference agreed to the principle of using the procedures set forth in Circular A–47 with respect to the computation of benefits for any water or related land resource construction project or program that is hereafter planned pursuant to the requirements of section 517. The latter section already prohibits the making of an agreement that obligates more than $100,000 until technical, financial and other plans have been worked out and a reasonably firm estimate of the cost to the United States has been made. The committee of conference recognized that the kind of statistics and cost-and-earning-potential data on hand in the United States necessary to make the computations required by Circular A–47 may not always be available in the underdeveloped countries. Hence the conferees agreed to the application of the standards "insofar as practicable" in order that foreign policy objectives of the United States would not be unduly impeded.

PAY OF EMPLOYEES IN LOCAL CURRENCY (SEC. 401(f))

The Senate amendment added a new section 523(d) which authorized Ambassadors to regulate the extent to which officers and employees of U.S. Government agencies and contractors abroad might receive their pay and allowances abroad in dollars or in local currency.

The House bill contained no provision on this subject.

The managers on the part of the House accepted the Senate provision with a number of clarifying amendments in the belief that this authority might increase the ability of the United States to prevent blackmarket operations on the part of overseas personnel. The Committee of Conference agreed that, as the amendment relates to contractors and contract employees, it applies only with respect to future contracts.

The language of the provision is sufficiently flexible and permits discretion in its application so as to assure that no undue hardship will be imposed on American military and civilian personnel serving overseas.

EMPLOYMENT OF PERSONNEL

The House bill amended section 527(b) of the act which relates to employment of personnel, to increase by four the number of positions that may be compensated, up to and including grade 15, without regard to the Classification Act of 1949. The Senate amendment did not contain any provision on this subject. The committee of conference accepted the Senate position that improved administration of the mutual security program can only be achieved through the employment of competent top-level managerial personnel.

PROMOTION OF ECONOMIC DEVELOPMENT SEC. 601(a) (1))

The House bill amended section 202 of Public Law 480 to authorize the use of surplus agricultural commodities on a grant basis to meet the requirements of needy people and to promote economic development in underdeveloped areas.

The Senate amendment contained no provision on this subject.

The committee of conference accepted the House provision with an amendment limiting the authorization to the period of one year. The managers on the part of the House accepted this limitation in the belief that a trial period of a year would not impede the operation of the program and would provide an opportunity to evaluate whether a longer range authorization would be desirable.

CONTRIBUTIONS TO SOUTH PACIFIC COMMISSION (SEC. 603)

The committee of conference accepted the language of the Senate amendment which amended section 3(a) of Public Law 403, 80th Congress. The new language raises the ceiling of $75,000 to $100,000 in appropriations authorized for our annual contribution to the South Pacific Commission.

The U.S. assessed contribution to the 1960 budget of the Commission will be about $70,000, or 12.5 percent of the total contribution. A majority of the member governments have expressed an interest in intensifying the work of the Commission, especially in the field of health. They are prepared to support an increase in the Commission's budget which would require the United States to exceed the present ceiling of $75,000. The adoption of the new language will permit the United States to support needed and well-planned increases in the budget of the Commission for the next several years and, at the same time, bear its share of the apportioned expenses at a relatively small additional cost. The peoples of three territories administered by the United States benefit from the activities of the Commission.

STUDY OF COORDINATION OF FOREIGN ECONOMIC OPERATIONS (SEC. 604)

The managers on the part of the House accepted the Senate amendment, with an amendment, requiring the President to have a study made of the functions of, and the degree of coordination among, agencies engaged in foreign economic activities, including the Department of State, the ICA, the Development Loan Fund, the Export-Import Bank, and the Department of Agriculture. The purpose is to provide the most effective means for the formulation and implementation of U.S. foreign economic policies. The President is required to include his findings and recommendations resulting from the study in his presentation to the Congress of the mutual security program for fiscal year 1962.

During the last decade various departments and agencies have embarked upon economic assistance programs. While each of the programs, whether grants, loans, or sales, is directed toward the strengthening of our foreign policy, there is increasing concern that they are not sufficiently coordinated or integrated to provide the unity of purpose necessary to achieve their common objective. Some are operated within the Department of State; others are outside the Department. It is the expectation of the committee of conference that the study will result in a larger measure of coordination or integration within the executive branch in the formulation and implementation of our foreign policy.

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST (CH. VII)

The committee of conference agreed to the language in the Senate amendment providing for the authorization of an appropriation to establish a Center for Cultural and Technical Interchange between East and West. The activities to be carried out by the center are those that will support the objectives of the United States Information and Educational Exchange Act of 1948 (the Smith-Mundt Act) and other acts promoting the international, educational, cultural, and related activities of the United States.

Last year the Congress directed the Secretary of State to submit to Congress before January 3, 1960, a plan and program for the establishment in Hawaii of an educational institution, for grants, fellowships, and other payments to outstanding scholars and to qualified students from the nations of the East and the West.

The Secretary of State filed a comprehensive report, as required. The language in the bill will permit the Secretary of State to carry out the recommendations contained in the report through any appropriate Federal or state agency or department. The establishment of such a center is in keeping with the objectives of the mutual security program and will constitute a significant contribution toward better understanding between the people of Asia and the Pacific area and of the United States.

HEMISPHERIC CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE (CH. VIII)

The committee of conference agreed to the language in the Senate amendment designed to promote better relations and understanding between the United States and other nations of the Western Hemisphere by establishing in Puerto Rico a hemispheric center for cultural and technical interchange. The objectives of the center would be con-

sonant with the objectives of our several international educational and cultural programs.

The new language authorizes, but does not require, the Secretary of State to make a study on all aspects of the proposed project and to submit a plan and program for the center and its activities and functions before January 3, 1961.

This section does not carry an authorization for an appropriation. The study will be financed from funds available to the Executive Branch.

THOMAS E. MORGAN,
A. S. J. CARNAHAN,
CLEMENT J. ZABLOCKI,
ROBERT B. CHIPERFIELD,
WALTER H. JUDD,
Managers on the Part of the House.

CAPTIVE NATIONS WEEK

(Mr. PELLY asked and was given permission to address the House for 1 minute.)

Mr. PELLY. Mr. Speaker, last July the Congress passed Senate Joint Resolution 111 providing for the designation of the third week of July as "Captive Nations Week."

Under this resolution the President of the United States is authorized and requested to issue a proclamation inviting the people to observe such a week with appropriate ceremonies.

I have written President Eisenhower to strongly urge that he issue a proclamation this year at this early date, showing that the freedom and independence of the unfortunate peoples of the world are especially in our minds at the time of the shooting down of our weather plane and in view of the forthcoming summit meeting.

Referring to this act of international banditry and the ensuing vitriolic verbal attack by Khrushchev on the United States, I can only say I favor something more than an official protest deploring the situation.

I would call off the President's visit to the Soviet Union and have the United States withdraw from the summit talks.

KENTUCKY DERBY

(Mr. BOW asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BOW. Mr. Speaker, now that the Congress has just passed a bill making Louisville, Ky., a depressed area there is talk going on around the Hill about changing the name of the Kentucky Derby to the Depressed Areas Sweepstakes.

I hope that the thousands who attend this time-honored event in Louisville tomorrow will not grumble about Derby Day prices. The money they spend will be for a worthy cause. They will be aiding a depressed area.

CORRECTION OF ROLLCALL

Mr. HOSMER. Mr. Speaker, on rollcall No. 73, I am shown as not voting. I was present and voted "no." I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COLLIER. Mr. Speaker, on the fourth of the 14 rollcalls on Wednesday last, rollcall No. 71, I was recorded as not voting. I was present and voted "yes." I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

SUMMIT CONFERENCE

(Mr. DORN of South Carolina asked and was given permission to address the House for 1 minute.)

Mr. DORN of South Carolina. Mr. Speaker, President Eisenhower should call off the summit conference. If the President goes to this summit meeting following recent events, he will be at a tremendous disadvantage. Khrushchev has carefully created incidents so as to bargain with the President. The Chinese Communists have imprisoned Bishop Walsh. The Soviets shot down another one of our planes. They helped stir up riots in Korea and elsewhere in the world. The Communists threatened the Panama Canal and gave Castro military equipment. They created the Berlin crisis. Now Khrushchev wants to sit down with the President and offer the return of Bishop Walsh, temporarily cease to incite riots, curb Castro, and refrain from shooting down our planes, all in return for Berlin or some other surrender by the United States. We cannot possibly win peace or honor at such a conference. Khrushchev steals Eisenhower's cow before a conference, then at the conference Khrushchev says, "I will return your cow if you give me the cow's calf." The calf is what Khrushchev wanted all along. Eisenhower has all to lose and nothing to gain. We can only win the respect of the world and restore dignity to the Office of the President by refusing to meet Khrushchev under such ridiculous and shocking circumstances. This is Khrushchev's game and if we continue to play it, the United States will lose. At every conference, we make concessions and surrender just a little more, while Khrushchev gives nothing. Under no circumstances should the United States dignify Khrushchev with a summit conference until he gives the captive nations their freedom. Khrushchev can end the cold war, simply by keeping Russian treaties and promises. There is nothing to talk about.

UNION-INDUSTRIAL SHOW AT NATIONAL GUARD ARMORY

(Mr. McCORMACK asked and was given permission to address the House for 1 minute.)

Mr. McCORMACK. Mr. Speaker, I have been requested to announce to the Members, which I do with pleasure, that today the Union-Industrial Show opens at the National Guard Army at 1 o'clock and continues through to May 11. The President opened the show and the ribbons were cut for one of the greatest union-labor-management shows in the world.

It is a fine example of cooperation between the workers and management when they get together and display their wonderful union label products and demonstrate efficient union services.

One hundred thousand dollars in prizes will be given away.

The exhibit is free—there will be no admission charge—no sale of goods on the floor.

Everyone is invited to view this marvelous exhibition.

Mr. Joseph Lewis is the director of the show which is sponsored by the Union-Labor and Services Trades Department of the American Federation of Labor and Congress of Industrial Organizations.

AUTHORIZING APPROPRIATIONS FOR THE ATOMIC ENERGY COMMISSION

Mr. DURHAM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11713) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11713, with Mr. ALBERT in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina [Mr. DURHAM] will be recognized for 1 hour and the gentleman from Pennsylvania [Mr. VAN ZANDT] will be recognized for 1 hour.

The Chair now recognizes the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, H.R. 11713 is a bill to authorize appropriations for the Atomic Energy Commission for fiscal year 1961. The bill follows the same general form as the AEC authorization bills for the past 4 fiscal years.

Section 101 authorizes $211,476,000 for new AEC construction projects. This compares with $293,876,000 requested by the AEC. In other words, the Joint Committee has reduced this bill by $82,400,000. A total of 39 line-item projects are listed in section 101 of the bill, covering all aspects of the AEC program.

Sections 102 through 106 of the bill contain standard provisions on "limitations"—section 102—"advanced planning and design"—section 103—"restoration or replacement"—section 104—"currently available funds"—section 105—and "substitutions"—section 106.

Section 107 of the bill is in the form requested by AEC and amends projects authorized by prior Authorization Acts. Project 57-d-1, the zero gradient synchrotron, Argonne National Laboratory, is increased from $27 million to $42 million, and project 60-e-12, alterations to Shippingport reactor facilities, is increased from $5 million to $9 million, in

order to construct a heat sink, and to modify the reactor plant for operation at a power level equivalent of 150 electrical megawatts under PWR Core 2.

Section 108 of the bill rescinds certain projects previously authorized which are no longer considered necessary by the AEC or the Joint Committee. A total of seven projects would be rescinded, amounting to $18,290,000. I think this is a sound way to legislate, because in the experience of every Member, we authorize so many things that the departments fail to use, and we sometimes do not rescind the authorization.

Section 109 authorizes an additional $40 million funds, and $5 million waiver of use charge authority, for use in the cooperative power demonstration program under the conditions and limitations of previous applicable statutes. Of the $40 million in this section, $25 million is intended for construction of an intermediate sized organic-cooled prototype reactor, if no satisfactory proposal is received from industry under the third round, under the AEC authorization Act for fiscal year 1960. If a satisfactory proposal should be received, AEC may construct, or support the construction of, some other reactor type deemed appropriate, such as a spectral shift reactor. The remaining $15 million under section 109 is available for research and development assistance for either unsolicited proposals or third round proposals, whichever may develop, such as the large scale powerplants reportedly under consideration by two California utility groups.

Section 110 authorized $5 million for use in the cooperative program with Canada for research and development in connection with heavy water moderated nuclear powerplants.

The bill contains severals changes recommended by the Joint Committee from the bill originally proposed by the AEC.

First, the committee added as project 61–d–10, $13 million for power reactor plants for the Antarctic. Testimony furnished the committee during the hearings indicated the extremely high cost of fuel in the Antarctic, as well as the fact that many lives and equipment have been lost in the transportation process. The $13 million authorization could provide for construction of three or four small atomic powerplants in the Antarctic which would enhance our international prestige in that area, would help develop the reactor art, and would result in eventual savings to the taxpayers because of lower operating costs.

Secondly, the majority of the committee recommends, in project 61–f–7, $3 million for design and engineering of the linear electron accelerator at Stanford University, rather than the $107,200,000 construction authorization requested by AEC. The majority believes that the design and engineering authorization will allow the project to go ahead on an adequate basis and will result in better cost estimates before construction is authorized. The project came to us at a very late date. We are concerned with the history of rising costs in the high energy physics program, and the changes that have been made in this particular accelerator. The committee has requested that an overall report on the high energy physics program, and more data on this proposed accelerator, be submitted by AEC to the Joint Committee by next January 1961. We believe that the Congress would then be in a better position to consider the requested $107,200,000 construction authorization.

I do not think anyone quite realizes here in this body the amount of research that has been necessary under the AEC as well as in the Armed Forces. But I see somewhat the same situation developing here today that we had in the days immediately after World War II when we had no plans whatever and we had virtually no wind tunnels in this country. We even moved one from Germany when we got to Dortmund and Peenemunde. We moved it here to Carderock, Md. Then we had a great flurry of activity and all the agencies involved wanted wind tunnels, particularly the National Advisory Committee for Aeronautics. So we had to devise a program in this field to save money for the Government. NACA did more for the development of science in this country than any other agency although their activities have now been transferred to the new agency, the National Aeronautics and Space Administration.

This accellerator problem is somewhat similar to the wind tunnel situation. We have built some of those accelerators in this country.

I have here a list of the high energy accelerators in operation and under construction which I include as a part of my remarks at this point:

High-energy accelerators—In operation

DOMESTIC

Machine	Energy (Bev.)	Intensity	Particles	Location
Synchrotron	1.4	Average	Electron	California Institute of Technology.
Do	1.5	do	do	Cornell University.
Do	3.0	do	Proton	Brookhaven National Laboratory.
Do	6.2	do	do	University of California.

FOREIGN

Synchrotron	1.0	Average	Proton	University of Birmingham, United Kingdom.
Do	1.2	do	Electron	Rome, Italy.
Do	3.0	do	Proton	Saclay, France.
Do	10.0	Low	do	Dubna, U.S.S.R.
Do	28.0	Average	do	CERN, Geneva, Switzerland.

High energy accelerators—Under construction

DOMESTIC

Machine	Energy (Bev.)	Intensity	Particles	Location
Synchrotron	3.0	High	Proton	Princeton University.
Do	6.0	do	Electron	Cambridge, Mass.
Do	12.5	do	Proton	Argonne National Laboratory.
Do	25–30	Average	do	Brookhaven National Laboratory.

FOREIGN

Linear accelerator	1.0	Average	Electron	Saclay, France.
Synchrotron	1.0	do	Proton	Delft, Netherlands.
Do	1.2	do	Electron	Lund, Sweden.
Do	1.3	do	do	Tokyo, Japan.
Linear accelerator	4.0	(?)	do	Kharkov, U.S.S.R.
Synchrotron	7.0	Average	Proton	Harwell, United Kingdom.
Do	7.0	do	do	Moscow, U.S.S.R.
Do	7.5	High	Electron	Hamburg, Germany.
Do	10.6	Very low	Proton	Canberra, Australia.
Do	50.0	(?)	do	Moscow, U.S.S.R.

In the free world, in foreign countries which we have access to for this high energy physics research work, we have available to us one which I believe is 30 bev and several more linear accelerators.

This is almost too theoretical a subject to discuss because of its technical complexity. I am not opposed to going on with this project in an orderly fashion. I think we ought to go into all promising research work in the accelerator field, both in regard to heavy particles and light particles.

As I said, I am not opposed to any of these projects. I made the motion to put $3 million in here and let AEC come back with a thorough study to show this body exactly what it is going to cost. We started out with another accelerator, on which we estimated a cost of $15 million. But as of today we have authorized around $40 million or $42 million and we may not be through yet.

So I feel very much the same way about this item as I did about the wind tunnels. When I found out that the wind tunnels were going to use as much power as the city of New York, I thought it time to come in and take a look at them. We adopted a unified control plan and it is working out fine. It gives us all the information which I think is necessary. We have an installation, of course, in Virginia, with a wind tunnel. We have some in other parts of the country, one at Wright-Patterson Field and in that

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For Department Staff Only)

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HIGHLIGHTS: Both Houses agreed to conference report on mutual security authorization bill. House committee voted to report bill to extend Mexican farm labor program. House Rules Committee cleared bills for multiple use management of forests and consolidation of Farmers Home Administration loan authority.

SENATE

1. FOREIGN AID. Both Houses agreed to the conference report on H. R. 11510, the mutual security authorization bill (pp. 9423-8, 9445-51). This bill will now be sent to the President. As agreed to, the bill includes the following provisions: Requires that at least $175 million of mutual security funds be used to finance the sale for foreign currencies of surplus agricultural commodities. Authorizes $2 million for payment of ocean freight charges to move supplies donated to and by American voluntary agencies. Authorizes $206,500,000 for technical cooperation programs. Authorizes, for 1 year, the use of surplus agricultural commodities on a grant basis to meet the requirements of needy people and to promote economic development in underdeveloped areas. Authorizes the payment of transportation charges to points of entry in landlocked countries for shipments under the Mutual Security Act of titles II and III of Public Law 480. Authorizes loans of foreign currencies to small farm operators in foreign countries to assist in improving agricultural methods and techniques. Provides that "insofar as practicable" land and water resource projects in foreign countries be examined by qualified engineers financed under the Mutual Security Act in

accordance with the general procedures prescribed in Circular A-47 of the Budget Bureau. Provides that the President shall have a study made of the functions of, and the degree of coordination among, agencies engaged in foreign economic activities, including this Department, the State Department, the Development Loan Fund, and the Export-Import Bank. Expresses the sense of Congress that the United States favors freedom of navigation in international waterways and economic cooperation between nations, and that assistance under the Mutual Security Act and Public Law 480 shall be administered to give effect to these principles. Adds as an additional purpose of the Development Loan Fund the development of free economic institutions and the development of agriculture as well as industry. Authorizes ambassadors to regulate the extent to which officers and employees of U. S. Government agencies and contractors abroad might receive their pay and allowances abroad in dollars or in local currency. (The conferees deleted a proposed Senate amendment which would have amended Public Law 174, 79th Congress, so as to strike out the $3 million limitation on the annual U. S. contribution to the Food and Agriculture Organization.)

2. PAYMENTS IN LIEU OF TAXES. Passed with amendments S. 910, to authorize payments to local governments of sums in lieu of taxes and special assessments with respect to certain real property (pp. 9396-9411). Agreed to an amendment by Sen. Holland to provide that the term "industrial or commercial use," when used in relation to any Federal property on which payments in lieu of taxes may be made, shall not include property used for the generation of electrical energy (pp. 9396-8). Rejected, 30 to 52, a motion by Sen. Dirksen to recommit the bill to the Committee on Government Operations (pp. 9398-9400).

3. PERSONNEL; RETIREMENT. Debated H. R. 4601, to limit to cases involving the national security the prohibition on the payment of annuities and retired pay to employees of the Federal Government (pp. 9428-41). Agreed to a motion by Sen. Williams, Del., to refer the bill to the Post Office and Civil Service Committee for further study (pp. 9433-41).

4. ELECTRIFICATION. Sen. Russell commended the work of REA and expressed his congratulations on its 25th anniversary, stating that "it has been one of the most successful programs ever undertaken by the Federal Government, both in terms of its operation and administration and in terms of its genuine service to the people of the country." pp. 9395-6

5. FARM PROGRAM. Sen. Goldwater criticized the report of the Democratic Party's advisory committee on farm policy, stating that "the advisory committee offers, as their only solution to the economic problems facing agriculture, a return to the old, discredited 90 percent of parity price support formula that destroyed markets at home and abroad, especially for cotton and tobacco, and built the present costly surpluses." pp. 9442-3

6. LEGISLATIVE PROGRAM. H. R. 10777, to authorize construction projects at military installations, was made the unfinished business. p. 9443

HOUSE

7. FORESTRY; FARM LOANS; PESTICIDES. The Rules Committee reported resolutions for consideration of the following bills: (p. 9492)

H. R. 7480, to amend the Federal Food, Drug, and Cosmetic Act so as to provide that the term "chemical preservatives" shall not apply to a pesticide chemical when used in or on a raw agricultural commodity produced from the

moratorium, and that it will not do so if a treaty is signed.

If the administration does not accept this point of view, is it prepared to assure the American public that the Kremlin—its opposition to inspection notwithstanding—has honored the moratorium and will continue to do so? And if it cannot offer this assurance, on what grounds does it justify the extension of the moratorium?

By our exclusive reliance on the doctrine of massive retaliation; by our failure to concentrate on the development of clean tactical nuclear weapons as the chief means of offsetting the Communist superiority in manpower; by our failure to arm our NATO allies with the nuclear arms that are available; by our voluntary 2-year moratorium on tests—which, I am positive, have not been reciprocally observed by the Communists; by our failure to accord the antimissile missile the priority it deserves; by our failure to explore the potentialities of the neutron bomb and of the so-called Christofiles effect; by our failure to pursue the further development of nuclear weapons with all the energies at our command; by our recent abandonment of the principle that all disarmament measures, including a test ban must be based on a system of enforceable inspection—by all these catastrophic errors in judgment, we have placed the free world in mortal peril.

That is why I am worried. That is why I have spoken at such length today.

The Pulitzer prize-winning novel, "Advise and Consent," pictures an America of a few years hence, an America in which demagogs can inflame huge gatherings and bring them to their feet cheering with the slogan, "I would rather crawl to Moscow on my hands and knees than be killed by an atomic bomb."

Is this to be the image of America tomorrow? God forbid it. For should this book prove prophetic, it will mean that our people have rejected the choice between liberty and death made by Patrick Henry and the Founding Fathers, the choice which drew the cheers of America and of freemen everywhere from 1775 down to the recent past.

It would mean the victory of the apostles of nuclear surrender. It would signify our total moral and spiritual capitulation.

It would mean that free America has chosen a slavery which is worse than death.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I understand that the conference report on the mutual security bill is ready. I ask the distinguished Senator from Alabama [Mr. SPARKMAN] to submit it.

MUTUAL SECURITY ACT OF 1960—CONFERENCE REPORT

Mr. SPARKMAN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11510) to amend further the Mutual Security Act of 1954, as amended, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of Friday, May 6, 1960, pp. 9030–9033, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that there be printed at this point in the RECORD a statement prepared by the chairman of the Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT], in connection with the conference report.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR FULBRIGHT

This conference report, like all conference reports, represents a compromise. There are some things in it which I wish were not. There are some things not in it which I wish were. I am sure this is true of all the Senate conferees, but on the whole, we are reasonably well pleased with it and are glad to recommend it to the Senate.

The overall total authorized by the bill is $1,366,200,000, compared with $1,405,500,000 in the Senate bill and $1,318,400,000 in the House bill. The accompanying table and statement show the figures in detail, and explain other provisions of the bill.

It is becoming increasingly clear to me that this program cannot survive many more annual authorizations. Every year there is a steady accretion of new restrictions, new conditions which must be met, and new procedures which must be followed in the administration of the program. The cumulative result of these provisions is to make the program so slow and cumbersome as to reduce its effectiveness very greatly. When, under these handicaps, the program fails to perform as it should, its opponents seize on this as an excuse to add more handicaps.

Another mischievous result of annual authorizations is the inordinate amount of time they take in the Congress. Every year the Committee on Foreign Relations is virtually precluded from considering any other business, except the most routine kind, for a period of 6 weeks to 3 months. This year, for example, the committee began its hearings March 22, and here we are completing action the second week in May. In the meantime, we have neglected the International Development Association, the Chicago water diversion, the Antarctic treaty, a badly needed revision of passport legislation, the Japanese security treaty, and various other matters. I am not suggesting that all of these would have been disposed of in the absence of mutual security, but certainly many of them would have been given more consideration than they have so far received.

Neither am I suggesting that the mutual security program should be freed of all legislative oversight. But there comes a point at which legislative oversight is self-defeating, not only for the program overseen but also for the committee overseeing it. We frequently hear complaints, for example, that more information on the program should be made available to Congress. I am not against the Congress having information, but I am reminded of the story about the little girl who went to the library and asked for a book on penguins. She was given a large volume and after reading only part of it, returned it with the comment that "This is rather more than I care to know about penguins." I submit that Congress already has rather more information about the mutual security program than it can digest. The Committee on Foreign Relations has file cabinet on file cabinet of voluminous documents which are widely unread. If the committee were to undertake to scrutinize all these documents and to follow up all the questions they suggest, the whole New Senate Office Building would not be big enough for the staff the committee would need. It might be said that the committee should enlarge its staff, but this, too, would be self-defeating. No matter how many staff members we have, there are still only 17 Senators on the committee. Each of those Senators, as we all know only too well, has a great many other things to do and can absorb only so much about the mutual security program. The staff would work to no avail if it produced more than the committee could digest.

The function of a legislative body is not to second-guess every administrative action, but rather to concern itself with broad questions of policy. The more time and effort the Senate spends on administrative detail, the less time and effort it can spend on policymaking, which is its true role in this Government. In my judgment, we have already gone so far that we allow our policymaking function to suffer and at the same time we seriously handicap the administrators of the program. I think it is significant that in the Senate debate and in the conference committee this year, the great preponderance of issues presented went not to the amounts of money but to administrative strings and conditions of one kind or another.

I hope that next year, not only for the sake of the program, but also for our own sake, steps can be taken to put more, perhaps all, of the program on a multiyear authorization. This would leave the way open for periodic review by Congress. Perhaps military assistance could be looked at one year, defense support the next, technical cooperation the next, and so on. My urgent plea to whoever moves into the White House next January is that he give this matter his close attention.

	Administration request	House bill	Senate bill	Conference agreement
Defense support	$724,000,000	$675,000,000	$700,000,000	$675,000,000
Bilateral technical cooperation	172,000,000	172,000,000	172,000,000	172,000,000
U.N. technical cooperation	33,000,000	33,000,000	33,000,000	33,000,000
OAS technical cooperation	1,500,000	1,500,000	1,500,000	1,500,000
Special assistance	268,500,000	256,000,000	260,000,000	256,000,000
U.N. High Commissioner for Refugees	1,500,000	1,500,000	1,100,000	1,300,000
Escapees	3,500,000	3,500,000	3,500,000	3,500,000

	Administration request	House bill	Senate bill	Conference agreement
U.N. Children's Fund	$12,000,000	$12,000,000	$12,000,000	$12,000,000
Palestine refugees	[1] 18,500,000	[1] 18,500,000	[2] 22,000,000	[1] 16,500,000
Ocean freight	2,000,000	2,000,000	2,000,000	2,000,000
ICA administration	40,000,000	40,000,000	40,000,000	40,000,000
Atoms for peace	3,400,000	3,400,000	3,400,000	3,400,000
Contingency fund	175,000,000	100,000,000	155,000,000	150,000,000
Total	1,454,900,000	1,318,400,000	1,405,500,000	1,366,200,000

[1] Plus unobligated balances of $6,500,000.
[2] Unobligated balances of $6,500,000 to revert to Treasury.

Military assistance to Latin America: The conferees agreed on the provisions of the Senate bill as reported by the Foreign Relations Committee. The amendment added on the Senate floor, dealing with reimbursement to the Defense Department, was eliminated as unnecessary and redundant.

Defense support information to be furnished Congress: The House bill contained a proviso making the authority for defense support contingent upon the furnishing, on request, to the General Accounting Office and congressional committees of all documents and other material relating to defense support. This was accepted by the conferees after it had been modified to provide that either the information must be furnished or the President must certify that he has forbidden it to be furnished and give his reasons. This was one of the most important points at issue, and it was resolved in a manner satisfactory to the Senate conferees. As finally agreed to, it allows the President to exercise his constitutional prerogatives without stopping the whole defense support program.

Development Loan Fund: The House accepted most of the Senate provisions designed to broaden the purposes of the Development Loan Fund and to give greater emphasis to social, as distinguished from strictly economic, activities. The purposes of the Fund, and the criteria it is to consider in passing on loans, are broadened to include the development of free economic institutions as well as economic resources and to make it clear that agricultural as well as industrial production is covered. The conferees retained the Senate language stating the sense of Congress that, consistent with the other purposes of the Fund, special consideration should be given to housing loans and guarantees, but the conferees deleted the section of the Senate bill relating to housing projects in Latin America. This latter action was taken largely on the grounds that in view of the new emphasis given to housing worldwide, special reference to Latin America was unnecessary and redundant. The conferees were agreed, however, that conditions are peculiarly favorable in Latin America, which is in an intermediate stage of economic development, for the kind of activities envisaged by the amendments; and the conferees expect that many of these activities will in fact be carried out in Latin America.

The House bill contained an amendment, for which there was no corresponding provision in the Senatte bill, and one of the effects of which would have been to prohibit the Development Loan Fund from making advance commitments or allocations to support broad programs of economic development, except in special and limited circumstances. The amendment would have restricted the Fund instead to specific projects and would have surrounded them by so many stringent criteria that, in the opinion of the Senate conferees, the Fund would have had no chance of effective operation.

The Senate conferees resisted this amendment most strongly and were successful in securing a modification which, in their judgment, will give the Fund an acceptable degree of flexibility.

It seemed to the Senate conferees that the amendment was based upon a misconception of the purpose of Congress in creating the Fund. Implicit in the amendment was the concept that the Fund should operate as a hard-boiled bank, restricting itself to specific, bankable projects. In point of fact, the legislation creating the Fund specifically provides that "it shall be administered so as not to compete with private investment capital, the Export-Import Bank or the International Bank for Reconstruction and Development." Moreover, the amendment in question would have made the Fund's operations subject to even more severe restrictions than those applying to the Export-Import Bank which frequently extends line-of-credit loans without meeting the criteria for specific projects which the amendment would have applied to the Fund.

Finally, the amendment seemed to be based, at least in part, upon criticism of State Department dominance of the Fund and of the weight given political considerations in the Fund's operations. This is precisely what Congress intended, and the legislative history of the Fund's creation and early operations allows of no other interpretation. In 1958, for example, when the Fund was incorporated, the Committee on Foreign Relations report contained the following statement:

"The committee has acquiesced in the administration's desire to incorporate the Fund, because a Government corporation has many advantages of business management and stability. But the committee is emphatic that incorporation does not imply any greater degree of independence in the Fund's operations. The Fund is an instrument of American foreign policy, and is intended to be under the foreign policy direction of the Secretary of State, whether incorporated or unincorporated."

Under the language agreed to by the conferees, the Fund will continue to be free to support sound programs of economic development as well as specific development projects.

International Development Advisory Board: The House bill repealed section 308 of the act which provides for the International Development Advisory Board. Although this Board once performed a useful function, it has languished in recent years and the Senate conferees agreed it might as well be abolished.

Fifty-fifty shipping: Both the House and Senate bills authorized funds for the Indus Basin development to be used without regard to the 50–50 shipping requirement. The House bill, however, contained a proviso requiring compensating allowances to be made in other shipments to the same area. It seemed to the Senate conferees that this was too confining, and agreement was reached on a proviso requiring compensating allowances in other shipments to the same or other areas. This will enable the adjustment to be made worldwide instead of only in regard to south Asia.

Palestine refugees: This presented one of the most complicated issues before the conference. The House bill authorized $18.5 million for 1961 and repealed a proviso which earmarked 10 percent of the funds for repatriation or resettlement. This had the effect of freeing $6.25 million, which had accumulated under the proviso, for relief purposes. The House bill would have likewise authorized the continued availability of an additional $250,000 in other unobligated funds.

The Senate bill authorized $22 million for 1961 and also repealed the earmarking proviso. At the same time, however, it provided that the funds which had accumulated under the proviso, as well as the other unobligated funds, should revert to the Treasury.

On this point, the conferees agreed to an authorization of $16.5 million for 1961, to repeal of the proviso, and to continued availability of unobligated funds. The net result is to provide a total availability for 1961 of $23 million, or $2 million less than the House bill and $1 million more than the Senate.

The Senate bill contained two other substantive provisions not found in the House bill. One of these would have prohibited use of U.S. contributions after January 1, 1961, for programs of relief heretofore administered on the basis of ration cards except for refugees whose need and eligibility for relief have been certified after July 1, 1960. The other directed the President to include in his recommendations to Congress for the 1962 mutual security program specific recommendations for the progressive repatriation and resettlement of refugees and for reducing U.S. contributions to the UN Relief and Works Agency.

The House conferees felt strongly that the Senate provisions were too tightly written and that, in view of the conditions existing in Jordan, they would be impossible of administration and would interfere with achievement of U.S. objectives in the area. The Senate conferees agreed to a revised version which expresses the sense of Congress that "the earliest possible rectification should be made of the Palestine refugee rolls in order to assure that only bona fide refugees whose need and eligibility for relief have been certified shall receive aid from the Agency and that the President in determining whether or not to make U.S. contributions to the Agency should take into consideration the extent and success of efforts by the Agency and the host governments to rectify such relief rolls." The revised language further provides that the President is to report to Congress next year on the progress made toward rectifying the relief rolls as well as toward repatriating and resettling the refugees.

President's special education and training fund: The House bill repealed section 412 of the act which earmarked $10 million a year of mutual security funds for each fiscal year of 1960 through 1964 for the President's special education and training fund. The Senate conferees acquiesced in view of the provision in the current appropriation act prohibiting use of funds for this purpose.

Loans to small farmers: The House bill contained a section stating the policy of the United States to provide agricultural assistance "particularly through loans of foreign currencies to associations of operators of small farms, formed for the purpose of joint action designed to increase or diversify agricultural productivity." The House bill limited unpaid balances of loans under this section to $10 million in the aggregate and to $25,000 for any association.

The conferees modified the section slightly to provide for foreign currency loans "for" rather than "to" associations of small farmers. This modification will make it plainer that lump sums can be made for this purpose to local institutions, such as agricultural banks, and that U.S. Government agencies need not directly administer small individual loans.

The activity contemplated by this section is one which is badly needed in many underdeveloped countries, and the Senate conferees were glad to agree to the House provision, as modified.

Congressional travel expenses: The Senate bill contained a provision, which was not in the House bill, modifying existing law regarding congressional use of foreign currencies. Existing law requires each congressional committee to make a consolidated report for publication in the CONGRESSIONAL RECORD showing its total itemized expenditures of foreign currencies for the preceding calendar year. The Senate bill expanded this requirement to include a report of dollar expenditures from appropriated funds and publication of the expenses of each member and employee of a committee.

The conferees agreed to retain the requirement for reporting dollar expenditures and to insert clarifying language which was suggested by the House and which makes it plain that the expenditures to be reported are those incurred as a result of the official activities of members and employees of committees. The new language follows existing law in not requiring publication of reports of individual members or employees.

Upper Nile cultural monuments: The House bill did not contain the Senate bill's provision respecting U.S. participation in an internationally financed program to preserve the cultural monuments of the upper Nile from flooding upon completion of the Aswan Dam. Instead of the rather elaborate Senate provision, which spelled out conditions for U.S. participation in some detail, the conferees agreed on a simple statement expressing the sense of Congress that prompt and careful consideration should be given to the proposal and asking the President to submit his recommendations in this respect to Congress on or before March 1, 1961.

Standards for land and water resource projects: The House bill contained a provision applying the domestic standards of the Budget Bureau to nonmilitary flood control, reclamation, and other water and related land resource projects financed abroad with nonmilitary mutual security funds. A comparable provision had been rejected when offered in the Senate, and the Senate conferees stood firm by this position, taking the view that domestic standards are inapplicable abroad and that the attempt to apply them would result in paralysis. The conferees agreed to a provision requiring that costs and benefits for these foreign projects be computed insofar as practicable in accordance with Budget Bureau domestic standards, but the new language does not make these domstic standards ironclad for foreign projects.

Pay of employees abroad in foreign currency: The Senate bill authorized the chief of a U.S. diplomatic mission in a country, whenever he determined that the achievement of U.S. foreign policy objectives required it, to issue regulations governing the extent to which Government employees and contractors in that country were to receive their pay and allowances in foreign currencies. The House conferees accepted this provision with only minor changes. Under the conference language, the determination is to be made by the President, who may then direct the chief of mission to issue the regulations. It was never contemplated that the chief of mission would act except upon instructions, or with the approval, of the Department of State and the President. It should be emphasized that the determination required by this section relates to the achievement of U.S. foreign policy objectives. Although it is not intended to work an undue hardship on anyone, the convenience of members of the Armed Forces or other affected employees is not to be taken into account. Other changes made in the Senate version simply clarify it as applying to enlisted men as well as officers and also as embracing employees of contractors.

Security clearance: The House bill substituted, for the employees security clearance requirements in the present law, a provision applying the standards and procedures of Executive Order 10450. This is the Executive order which cover security clearance for other Government employees, and the Senate conferees agreed to put mutual security employees on the same footing.

Duties of Inspector General and Comptroller: The House bill deleted the provisions of existing law making the Inspector General and Comptroller responsible for designing the form and prescribing the financial and statistical content of the annual mutual security program presentation to Congress The Senate conferees agreed to this provision.

Congressional presentation: The Senate bill contained an amendment, adopted on the floor, which prescribed in some detail the content of the annual program presentation to Congress for military assistance. The amendment also, however, deleted the requirements of existing law prescribing the content of program presentation for defense support. The House bill contained no new provision on this subject, and the Senate conferees agreed to leave the existing law as it is.

Assistance to Cuba: Senate conferees agreed to a provision of the House bill prohibiting assistance to Cuba "unless the President determines that such assistance is in the national and hemispheric interest of the United States." This applies to bilateral aid programs; it would obviously be impractical to try to apply it to multilateral programs of the Organization of American States and the United Nations and its agencies.

Use of Public Law 480 currencies for health and education: The Senate bill contained a highly technical amendment to section 104 of the Agricultural Trade Development and Assistance Act (Public Law 480), the effect of which was to make available currencies accruing under title I of that act for health and education programs related to economic development, without appropriation, while continuing to require appropriation of such currencies for health and education programs of direct benefit to the United States and not related to economic development. This subject had not been considered by the House, and the Senate conferees agreed to delete the Senate provision, with the hope that further consideration can be given to the problem next year.

Use of title II of Public Law 480 for economic development: The House bill contained a provision, which was rejected on the Senate floor, authorizing the disposal of surplus agricultural commodities under authority of title II of Public Law 480 on a grant basis for purposes of economic development as well as for purposes of famine and other emergency relief. The Senate conferees agreed to this expanded authority for a period of 1 year, during which time Congress can review the matter on the basis of trial experience.

Payment of general average contributions: The House bill contained a rather complicated amendment relating to payment of ocean freight charges on relief goods shipped under title II of Public Law 480. The amendment was designed to meet a rare but embarrassing situation which arises when a portion of a ship or its cargo is damaged or destroyed in order to save the ship or the remaining cargo. In these circumstances, the owners of the ship and of the remaining cargo are liable, pro rata, for the damage. Although the United States pays the ocean freight on title II relief shipments, title to the commodities passes to the recipient country at the U.S. port. Thus when, as occurred in at least one instance, some other cargo on a ship is damaged, the recipient government becomes liable for claims against a gift of relief goods. The House amendment, which was agreed to by the Senate conferees, will enable the United States to pay these claims, which are known in admiralty law as general average contributions.

Food and Agriculture Organization: The Senate bill repealed the $3 million ceiling on U.S. annual contributions to the U.N. Food and Agriculture Organization, leaving intact the ceiling of 33⅓ percent of total contributions. The House bill did not contain a similar provision, and the Senate conferees receded in view of the fact that the dollar ceiling will not become an acute limitation until next year and the matter can be further considered at that time.

Assistance to foreign students and teachers of foreign languages: The Senate conferees receded from provisions of the Senate bill authorizing assistance to universities for orientation programs for foreign students and assistance to American teachers of foreign languages for study abroad. This was done reluctantly and in the hope that these programs may be further considered in connection with other legislation.

In other respects, the bill agreed upon in conference is in substantially the same form as the bill which passed the Senate.

Mr. SPARKMAN. Mr. President, the Senator from Arkansas is absent on official business today and is unable to be present, but he prepared a very comprehensive statement regarding the conference report before he left.

Mr. President, there were no great differences between the Senate version and the bill as it passed the House. There were some differences. There was a difference as to amount, and some of the amendments were in different wording. The conferees met in two or more sessions and were able to compromise their differences, and the report is a compromise of the differences between the two Houses.

There was no great difference between the amount of money. The amount was compromised by dividing the difference almost evenly. I believe from the standpoint of the Senate the Senate conferees did a very good job. There were some things which the Senate had written into the bill upon which the House conferees were absolutely adamant, but by and large I believe the action of the Senate was more generally adopted than was the action of the House. I ask for a favorable vote on the conference report.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. WILLIAMS of Delaware. What did the conferees do in connection with the amendment which the Senate approved 68 to 0, the purpose of which was to require Members of Congress and congressional employees to render an accounting of their expenditures on trips abroad?

Mr. SPARKMAN. The point is covered in the statement prepared by the Senator from Arkansas [Mr. FULBRIGHT]. I read the language from his explanatory statement:

Congressional travel expenses: The Senate bill contained a provision, which was not in the House bill, modifying existing law regarding congressional use of foreign currencies. Existing law requires each congressional committee to make a consolidated

report for publication in the CONGRESSIONAL RECORD showing its total itemized expenditures for foreign currencies for the preceding calendar year. The Senate bill expanded this requirement to include a report of dollar expenditures from appropriated funds and publication of the expenses of each member and employee of a committee.

The conferees agreed to retain the requirement for reporting dollar expenditures and to insert clarifying language which was suggested by the House and which makes it plain that the expenditures to be reported are those incurred as a result of the official activities of members and employees of committees. The new language follows existing law in not requiring publication of reports of individual members or employees.

This is one of the provisions with respect to which the House conferees were quite insistent. We succeeded in getting some modification, but I invite the attention of the Senator from Delaware [Mr. WILLIAMS] to the fact that the first provision which went into the bill dealing with this use of foreign currencies originated in the House of Representatives. The House feels a protective interest in connection with this particular provision, and the House conferees felt that what they insisted on was better than what the Senate had proposed. The House conferees were not willing to go beyond the modification we were able to get, as referred to in the statement of the Senator from Arkansas [Mr. FULBRIGHT].

Mr. WILLIAMS of Delaware. The Senator referred to the feeling on the part of the House conferees that they have a protective interest. What does the Senator mean by "protective interest"?

Mr. SPARKMAN. As the Senator knows, I mean that Members of the House feel it is more or less a project of the House since the measure originated there, and they probably feel they gave thought to the legislation before the Senate did. I am not willing to concede that, because the subject has been discussed here for a good many years, but the first language which went in, as I recall, came from that source.

Mr. WILLIAMS of Delaware. I feel inclined to compliment Members of the House for feeling proud of what was perhaps their original "baby." However, I am wondering if the Senate conferees and the Senate should not likewise feel a great deal of pride in the fact that they approved this amendment unanimously, and I wonder if we should not insist on our amendment. I think the Senator from Alabama will agree with me that there is merit in the proposal that the American taxpayer should have an accounting of what we spend on any official trips. I say that as one who feels very strongly that official trips abroad have a constructive purpose and that when Members of Congress and members of the staff are on official business, expenses should be paid out of the Public Treasury. I support that principle entirely. But I likewise support the principle that when we come back from such official trips we should do just as we must do in private industry; namely, render an accounting for what we have spent of the taxpayers' money.

Mr. SPARKMAN. I am in complete agreement with the Senator from Delaware. I have often said that one of the best thing we ever did was to authorize the use of a very small percentage of counterpart funds in this way. Instead of condemning what are so often referred to as "junkets," I think we ought to encourage Members of Congress to travel and visit other countries on official business.

I do not mean so-called junketing, but working. I believe it is well to use these funds for this purpose. I agree also with the Senator from Delaware that there ought to be a complete accounting. There is absolutely no justification for some of the loose handling of funds I have heard of. I have done a good bit of traveling, and I have used counterpart funds, but I have never seen the loose type of handling of these funds that is sometimes referred to by various columnists and other writers. It may be possible, but not if the spirit of the law is observed.

I surely agree with the Senator from Delaware that there ought to be a complete accounting. The House conferees apparently felt that their method of accounting is superior to that provided in the Senate language. As I said a few minutes ago, it is my understanding that they were adamant on this point.

I was not present in this particular conference meeting. I had gone to Alabama for the election. I was present at the conference committee meeting at the last session of the conferees. However, I was not there when this matter was considered. It is my understanding that the House conferees absolutely insisted upon that langauge, and the most our conferees could get was the modified language to which I called the Senator's attention in the statement of the Senator from Arkansas [Mr. FULBRIGHT].

Mr. WILLIAMS of Delaware. The provision is nothing more than a rewriting of the existing law except that it does include dollar expenditures.

Mr. SPARKMAN. It does include dollar expenditures.

Mr. WILLIAMS of Delaware. I agree fully with the Senator from Alabama that with the amount of money our Government is spending throughout the world it is not only important but essential that Members of Congress on occasion take official trips to familiarize themselves with the expenditures. However, I believe it likewise is important that we provide adequate accounting. I am confident that the overwhelming majority of those who make these official trips spend money just as conservatively as if they were spending their own money. We would be blind, however, if we did not recognize that some will abuse the privilege. With the present cloak of secrecy thrown around it the instances of abuse are reflections on those who conduct themselves properly.

Any foreign traveler, whether he be a Member of Congress or anyone else, who abuses that privilege is not a good ambassador for our country. In fact, a lavish spender is the worst kind of ambassador we could have. I believe that if we required an accounting we would eliminate much of the criticism which is directed against these congressional trips. I am wondering whether the Senator from Alabama agrees with me. If so and if the Members of the Senate feel it is an important amendment and has much merit, does not the Senator feel that we should send the conference report back to the House and insist on the Senate position, and that if we did so the House members might look at the matter in a different light?

Mr. SPARKMAN. It is my understanding it would be most difficult to get a further concession from the House conferees. I should dislike very much to see the conference report sent back to the House. I remind the Senator from Delaware that a Member of Congress, either of the House or the Senate, is not allowed to use counterpart funds unless he gets authorization from the chairman of his committee.

Furthermore, when he returns, he must make an accounting in detail to the committee that authorizes the expenditure. It is not published all over the country. Frankly, I do not know, but I have heard it said, that one reason why some Members of Congress do not want that information published is that one Senator might take a short trip, perhaps to Mexico—I am using that as an example—in which case only a few dollars would be spent, whereas another Member might visit 15 different countries. As that appears in the press, the only thing shown is the amount spent, not the extent to which the visitation was made. Therefore the publicity does not give a fair basis for comparison.

I will say to the Senator from Delaware that I was not present when his amendment was agreed to. Had I been here, I am sure I would have been one of those who voted for it, because I belive in strict, well-protected, accounting, I will say. I am told that the Senate conferees did their very best in the conference, but that the House was adamant on this particular provision.

Mr. WILLIAMS of Delaware. I assure the Senator from Alabama that I certainly was not sponsoring this proposal with the thought of holding any Member up to ridicule.

Mr. SPARKMAN. I realize that, of course.

Mr. WILLIAMS of Delaware. I do not believe that the press or the people back home would misinterpret these expenditures as referred to by the Senator. There is a difference, of course, between going to Mexico and going to several countries. The best example I know of to indicate that no misunderstanding would arise is that I believe six members of the Committee on Foreign Relations, of which the Senator and I are members, have upon their return rendered such an accounting to the people, and I have never seen any adverse comment in the press on their expenditures. On the contrary, several complimented them on the fact that these Members had made the trip and that they had rendered the accounting.

Mr. SPARKMAN. I may say to the Senator from Delaware that I have been on trips on two or three occasions, and that on those occasions the funds were handled by a staff member of the committee. I had nothing to do with the

handling of funds at all. The staff member of the committee handled them, and a full accounting was made to the committee. There are ways by which that can be handled in a proper manner. I believe the majority of Members of Congress handle it that way.

Mr. WILLIAMS of Delaware. I did not mean to imply otherwise. The only point I am making is that the money spent is money which belongs to the taxpayers and that the taxpayers are entitled to an accounting.

Mr. SPARKMAN. Of course, I do not believe the Senator from Delaware can properly say that the taxpayers are not getting an accounting now. They are not getting it in the same detail the Senator from Delaware wishes. Each committee must give a report as to what that committee spends, and the committee can give as much other information as it desires to give—as to how many Members traveled and the extent to which they traveled. So far as the published account is concerned, it is a lump-sum accounting of the committee as a whole, showing what the committee spent.

The taxpayers are getting an accounting on the amount of counterpart funds spent. We now include the dollar expenditures also. I certainly hope that the Senator will not insist on disagreeing to the amendment, and that he will permit the conference report to be adopted, because I am assured that it represents the best that our conferees were able to do.

Mr. WILLIAMS of Delaware. Mr. President, when this bill, H.R. 11510, passed the Senate there was included by a vote of 68 to 0 an amendment the purpose of which would have required a public accounting by all Members of Congress of their expenditures, dollars or foreign currencies, which were made while they were traveling on official trips in foreign countries.

Sixty-eight Members of the Senate voted for this amendment, and of the 32 absentees 26 had their position stated in the CONGRESSIONAL RECORD as being in favor of the amendment; only 6 were not committed.

In the face of this unanimous approval on the part of the Senate of the principle that Members of Congress or committee employees should each render an accounting of expenditures in foreign countries, I cannot understand the reasoning of the Senate conferees in agreeing so readily to the elimination of this amendment.

It is true that in the bill as brought back by the conferees they did include a modification of the original amendment's language, but it is also true that this modification completely destroys the purpose of the original amendment as far as requiring any accounting from the individual Members of Congress is concerned.

I have checked with the Legislative Counsel, and it has been confirmed that the language as modified is, in effect, merely a rewritten version of the existing law and also that it will have the same practical effect as the present law.

In a memorandum prepared by Mr. Dwight Pinion, of the Legislative Counsel, he interpreted the conference amendment as follows:

Since this change removes the language of the amendment which would have required that the consolidated reports show total itemized expenditures of individual Members and employees, it would appear that committee chairmen, in submitting these reports for publication, may continue to submit them in the same form as required by existing law.

I ask unanimous consent that the memorandum prepared by Mr. Pinion be printed at this point in my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM FOR SENATOR WILLIAMS OF DELAWARE

This memorandum is submitted in response to your request for information concerning the effect of the action of the conference committee on the mutual security bill on the Senate amendments to section 502(b) of the Mutual Security Act of 1954.

Under section 502(b), as contained in existing law, members and employees of a congressional committee are required to make itemized reports to the chairman of the committee of their expenditures of foreign currencies made available to the committee pursuant to such section. The chairman of the committee is required to prepare and submit annually for publication in the CONGRESSIONAL RECORD a consolidated report showing the total itemized expenditures of the committee and each subcommittee.

The Senate amendment changed section 502(b) in two respects:

1. It imposed a requirement that the reports required by the section include not only foreign currency expenditures but also dollar expenditures made from appropriated funds in connection with foreign travel.

2. It required that the consolidated reports submitted by committee chairmen for printing in the CONGRESSIONAL RECORD disclose not only the total annual itemized expenditures of the committee and each subcommittee, but also the total annual itemized expenditures of each member and employee of the committee.

The committee of conference adopted the first amendment without change, so that hereafter both the individual and the consolidated reports must include, in addition to foreign currency expenditures, dollar expenditures made from appropriated funds in connection with foreign travel.

With respect to the second amendment, however, the conferees modified the language of the amendment which described the consolidated report, and which originally read: "a consolidated report showing the total itemized expenditures during the preceding calendar year of the committee and each subcommittee thereof, and of each member and employee of such committee or subcommittee," by deleting the underlined words and substituting the words "incurred as a result of the official activities of the members and employees." Since this change removes the language of the amendment which would have required that the consolidated reports show total itemized expenditures of individual members and employees, it would appear that committee chairmen, in submitting these reports for publication, may continue to submit them in the same form as required by existing law.

It must be pointed out that the above conclusion is based entirely upon an examination of the language of the amendment and of the changes made in such language by the conference agreement. Since the final interpretation of any statutory language must take into consideration its legislative history, an indication of a contrary intent by the conferees, in the debate on the conference report, would necessarily require a reexamination of this conclusion. I would think that this should be particularly true in the case of a provision such as this which deals with the internal procedures of the Senate and House, and the interpretation of which, in the final analysis, will rest with the chairmen of the respective congressional committees.

Respectfully submitted.

DWIGHT J. PINION,
Assistant Counsel.

MAY 9, 1960.

Mr. WILLIAMS of Delaware. Mr. President, we are advised by the Senate conferees that the House has refused the Senate amendment which would have required an accounting of our expenditures of all public funds—dollars or foreign currencies—which congressional Members or their staffs spend while on official trips in foreign countries.

However, the Senate cannot place all the responsibility for the rejection of this amendment on the House of Representatives. If we want this amendment, we can reject the conference report and insist upon another conference, and then the Senate can instruct its conferees not to yield on this particular point.

In the present parliamentary situation, the only manner in which the Senate could reinstruct its conferees to insist upon this amendment requiring public accounting of congressional expenditures would be first to reject the conference report and then to follow that rejection with a motion requesting a new conference.

As one Member of the Senate, I shall refuse to vote for the conference report, which eliminates this amendment requiring public accounting of our expenditures on foreign trips.

I cannot conceive of Congress placing itself in a position to tell the overburdened American taxpayers that they must pay the expenses of the various trips taken by the Members of Congress or congressional employees around the world, but yet thumb their noses at the same taxpayers when they ask for an accounting as to how much the trips cost or for what the money was spent.

I hope the conference report will be rejected so that the Senate may then adopt a motion to insist upon its amendment and the conferees be so instructed. I wonder if the Senator from Alabama will agree to this suggestion and make at least one more attempt to have the House accept the amendment.

Mr. SPARKMAN. The Senator from Delaware is aware, I believe, that the chairman of the committe, the Senator from Arkansas [Mr. FULBRIGHT] is away from the city, on an official trip, at the present time. He was the chairman of the Senate conferees. I am acting today in his place. I hope the Senator from Delaware will not insist upon this procedure, because the Senator from Arkansas is away. Even if the conferees were sent back to another conference, we could not function until the Senator from Arkansas had returned. Considerable delay would be caused. I hope the Senator from Delaware will not insist upon his request, but will let the Senate agree to the conference report.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS of Delaware. Mr. President, I ask for the yeas and nays on the question of agreeing to the conference report.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

INCORPORATION OF FEDERAL MORTGAGE INVESTMENT COMPANIES

Mr. SPARKMAN. Mr. President, on behalf of myself, and the Senator from Indiana [Mr. CAPEHART], I introduce, for appropriate reference, a bill to provide additional financial facilities in the Federal National Mortgage Association, to provide for the incorporation of Federal mortgage investment companies, and for other purposes.

The bill is introduced by request, in order to provoke study and discussion. The idea of a central mortgage bank has been of great interest for a long time. As the present occupant of the chair, the distinguished Senator from Maine [Mr. MUSKIE], who is a member of the Subcommittee on Housing of the Committee on Banking and Currency, well knows, we have discussed the subject in committee many times. Considerable research has been done over the last few years, and now three of the great organizations interested in the matter—the National Association of Home Builders, the Mortgage Bankers Association, and the National Association of Real Estate Boards—have come forward with a suggested bill.

As I have said, I introduce the bill at their request at this time for the reason that hearings are now in progress in the Subcommittee on Housing concerning housing legislation for this year. The hearings have been running during this week, will resume on Monday, and will continue through next week.

Some persons will want to discuss this very kind of program in the course of the hearings, so I think it is well that a specific bill be before the Senate.

I have not had an opportunity to study the bill in all its details. I cannot say that I am familiar with all its features. I do endorse the central idea, and have done so for a long time.

I think it would mean much for the obtaining of needed credit and stabilization of the home mortgage market in this country if there were such an organization as the one which is proposed.

My introduction of the bill does not mean that I endorse every feature of it at all. I endorse the central thought, and hope that the bill may serve as a basis from which a satisfactory central mortgage program may be evolved.

Mr. President, I ask unanimous consent that a statement I have prepared concerning the bill may be printed at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 3541) to provide additional financial facilities in the Federal National Mortgage Association, to provide for the incorporation of Federal mortgage investment companies, and for other purposes, introduced by Mr. SPARKMAN (for himself and Mr. CAPEHART) by request, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The statement presented by Mr. SPARKMAN is as follows:

STATEMENT BY SENATOR SPARKMAN

I am introducing today, on request, a bill which should provide the basis upon which the Senate can begin to consider a proposal to which many of us have given long consideration and which has gained support in many quarters during recent years. It is a bill to provide additional financial facilities in the Federal National Mortgage Association, to provide for the incorporation of Federal mortgage investment companies, and thereby to establish by amendment of the Federal National Mortgage Association Charter Act and other statutes the framework for a central mortgage reserve facility, which many in the past have called a central mortgage bank.

The subject of a central mortgage reserve facility has been widely discussed and considered in general terms by private industry and committees of the Congress over a period of several years. During the hearings before the Subcommittee on Housing in the last session on "A Study of Mortgage Credit Over the Next Decade," a number of witnesses presented papers and testimony pointing emphatically to the need for this legislation. The report of the subcommittee submitted under Senate Resolution 221 had this to say on the subject:

"The Federal National Mortgage Association, as presently constituted and administered, cannot be expected to supplement and stabilize the flow of mortgage credit to the extent that may be desirable. If this supplementation and stabilization are to be objectives of Federal policy during the 1960's, it will be necessary to (1) reconstitute the Federal National Mortgage Association, or (2) change its administrative policies, or (3) create new institutions, such as a central mortgage bank, to operate in lieu of or in conjunction with the FNMA, or (4) a combination of these actions."

Heretofore, however, most discussions on this subject have been on the desirability—in effect, the necessity—of supplementing and stabilizing the flow of mortgage credit. Differences among private groups upon detail in the method of accomplishing this have gradually disappeared.

I am now informed that during the past several months three representatives each of the National Association of Home Builders, the National Association of Real Estate Boards, and the Mortgage Bankers Association have held frequent meetings to solve differences in detail in their thinking on this subject and to develop a sound bill, aimed at constituting a true central mortgage reserve facility, to which the industry could agree. I am pleased to be able to inform the Senate that such agreement has been accomplished and is expressed in the bill I have introduced. I am informed that it has the support of the National Association of Home Builders and of the National Association of Real Estate Boards and that, although the board of directors of the Mortgage Bankers Association has not yet met to act officially, the president and other representatives of MBA who attended the meetings from which this bill developed have approved it and state that it is in accord with the general policies of that organization.

Possibly the bill can be further improved as the views of other organizations and individuals are obtained at committee hearings. However I have introduced the bill at this time in order to bring it to the attention of all of those sincerely interested in improving the residential mortgage credit system and so that it may be discussed at hearings of the Subcommittee on Housing, now underway.

It is my hope that other Senators on both sides of the aisle will join with me in sponsoring the bill. I shall in the next few days submit a section-by-section analysis and further explanation of the bill.

RESTORATION OF ANNUITY RIGHTS

Mr. DIRKSEN. Mr. President, I move that the Senate proceed to the immediate consideration of Calendar No. 173, H.R. 4601.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 4601) to amend the act of September 1, 1954, in order to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the United States, to clarify the application and operation of such act, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to amendment.

Mr. CLARK. Mr. President, House bill 4601 is identical with Senate bill 91, presently on the calendar, and reported from the Committee on Post Office and Civil Service a little more than a year ago. The bill has now been cleared for passage, which I hope will shortly be forthcoming.

The bill is a long one, but most of it is a reenactment of existing law.

The purpose of the bill is to amend an act passed in 1954, which prohibited the payment of annuities to Federal employees who had been convicted of a wide variety of specified offenses.

It is the view of the Senate Committee on Post Office and Civil Service, of the House of Representatives—as evidenced by its passage of the bill—of the Comptroller General, of the Attorney General, and of the Civil Service Commission that the 1954 law, which was enacted at the

Public Buildings and Grounds Committee. During the 79th Congress he was the energetic whip of the Pennsylvania Republican Delegation.

Mr. Rodgers was very active in fraternal circles being a 33d degree Scottish Rite Mason. Previous to his election to Congress, for 10 years he was recorder of Zem Zem Temple, Ancient Accepted Order Nobles of the Mystic Shrine. He was a past president and secretary of the Erie Rotary Club.

My sympathy is extended to Mrs. Rodgers, her son Thomas, and other loved ones. We know that God will give them fortitude to carry on in their hour of sorrow and the days ahead.

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life and character of Robert Lewis Rodgers.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CORRECTION OF ROLLCALL

Mr. JUDD. Mr. Speaker, on rollcall No. 70 I am recorded as absent. I was present and answered to my name. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

MUTUAL SECURITY ACT OF 1960

Mr. MORGAN. Mr. Speaker, I call up the conference report on the bill (H.R. 11510) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BOW. I object, Mr. Speaker.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report.

(For conference report and statement see proceedings of the House of May 6, 1960.)

CALL OF THE HOUSE

Mr. TABER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, no quorum is present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 87]

Anderson, Mont.	Burdick	Davis, Tenn.
Barden	Burke, Ky.	Durham
Blitch	Canfield	Fogarty
Bonner	Cederberg	Holifield
Buckley	Celler	Jackson
	Chelf	Johansen
Kelly	Mitchell	Sullivan
Kilburn	Montoya	Taylor
Kowalski	Moorhead	Thompson, Tex.
Landrum	Morris, N. Mex.	Trimble
Lindsay	Porter	Vinson
McGovern	Powell	Walter
McMillan	Scherer	Williams
Macdonald	Scott	Willis
Metcalf	Shelley	Withrow
Miller, George P.	Smith, Kans.	Young
	Spence	

The SPEAKER. On this rollcall 383 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MUTUAL SECURITY ACT OF 1960

The SPEAKER. The question is on the conference report.

Mr. BOW. Mr. Speaker, I make a point of order against the conference report on the ground that the conferees have gone beyond the range of the difference between the two Houses, particularly as it relates to section 407 of the bill. The conference report comes back, on the item of Palestine refugees, Near East, with a figure of $16,500,000. The figure in the House-passed bill was $18,500,000 and in the Senate-passed bill $22 million. My point of order is, Mr. Speaker, that the conferees have gone beyond the range of the difference between the two Houses.

The SPEAKER. The jurisdiction of conferees when they have before them an amendment in the nature of a substitute as we now have before us, is governed by clause 3, rule XXVIII, of the Rules of the House. This clause provides:

> Whenever a disagreement to an amendment in the nature of a substitute has been committed to a conference committee it shall be in order for the managers on the part of the House to propose a substitute which is a germane modification of the matter in disagreement, but their report shall not include matter not committed to the conference committee by either House.

The case before us, the House bill H.R. 11510, contained an authorization of $18,500,000 for contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Middle East. The Senate amendment in the nature of a substitute authorized $22 million for this same purpose. The language proposed by the committee of conference reduces the authorization to $16,500,000.

The Chair would like to point out that where a figure or sum is involved, the general rule is that the conferees are confined within the limits set by the figure included in the House bill and that in the Senate amendment. But this general rule is not applicable where the Senate has struck out all after the enacting clause and inserted an amendment in the nature of a substitute. In this case, clause 3 of rule 28 is applicable, and the conferees may report a germane modification of the matter in disagreement. The Chair thinks the conferees have reported a germane modification and, therefore, overrules the point of order.

The question is on the conference report.

The question was taken, and the Speaker announced that in his opinion the ayes appeared to have it.

Mr. ADAIR. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

Mr. HARDY. Mr. Speaker, before the question was put, I was trying to get recognition to ask the chairman of the Committee on Foreign Affairs if he would not yield to me some little time. I wonder if we could not return to that situation so that that might be done.

The SPEAKER. The Chair thinks it is pretty late for that. The question has been put. At the proper time the gentleman from Pennsylvania had the right to yield time. He did not, and the Chair put the question.

Mr. HARDY. Mr. Speaker, I was trying to get recognition before the Chair put the question.

The SPEAKER. If the gentleman addressed the Chair, the Chair did not hear him. The Chair doubts that the gentleman addressed the Chair. He might have been addressing the gentleman from Pennsylvania.

Mr. HARDY. If the Speaker will permit, I most assuredly did address the Chair. I am sorry the Chair did not hear me.

The SPEAKER. The Chair has already stated that the gentleman from Pennsylvania had control of the time. The Chair has nothing to do with the time.

Mr. MORGAN. Mr. Speaker, I was on my feet, and I fully intended to use the time.

The SPEAKER. The gentleman is recognized.

Mr. MORGAN. Mr. Speaker, on behalf of the managers on the part of the House I present the conference report on the Mutual Security Act of 1960.

The bill which we submit is a compromise. There were 38 points of difference between the House bill and the Senate bill which were considered by the conference. With respect to these differences, the Senate receded on 13, the House receded on 10, and 15 were compromised by modifying the language of the House or Senate bills, or both.

The House conferees did not prevail in everything they tried to preserve in the House bill, but I firmly believe that they did not surrender on any vital provision.

There were five differences in the money authorizations in the two bills. On two of these, defense support and special assistance, the Senate receded and accepted the House figures. This was a total concession of $29 million on the part of the Senate.

In the case of the authorization for the United Nations High Commissioner for Refugees, the conference split the difference. The House went down $200,000 and the Senate went up $200,000.

The authorization for Palestine refugees is rather complex because the carryover of certain unobligated funds is involved, but the net result of the conference is that the House went down $2 million and the Senate came up $1 million.

The House authorization for the contingency fund was $100 million and the Senate figure was $155 million. The House conferees finally agreed to a figure of $150 million for this item. That means that the House went up $50 million. The action of the managers on the part of the House in this matter was influenced by contemporary events. The short period which has elapsed since the mutual security bill was considered by the House has served to emphasize the fact that contingencies are one of the most important aspects of our foreign policy. During this short period we have seen the student revolution in Korea, the disturbances in Turkey, and the loss of a U.S. plane over the territory of the Soviet Union. Each of these situations undoubtedly will have an impact on our foreign policy, and it is very likely that significant adjustments in the mutual security program will result. It is the sincere judgment of the managers on the part of the House that this is not the time to make a drastic reduction in the contingency fund.

The net result is that the total authorization agreed to by the conference is $1,366,200,000 which is an increase above the total in the House bill of $47,800,000 and a decrease below the total in the Senate bill of $39,300,000.

The modifications made in the House bill are, as they inevitably must be, the result of give and take. The Senate bill, for instance, increased the authorizations for U.S. contributions to two international organizations—the South Pacific Commission and the United Nations Food and Agriculture Organization. The House accepted one of these increases, that for the South Pacific Commission, which involved increasing a $75,000 ceiling to a ceiling of $100,000, and refused to accept the increase in the ceiling for the Food and Agriculture Organization, which involved a figure of $3 million.

In several cases, the compromise language agreed to, in the judgment of the House conferees, actually improved the House bill. For instance, in the case of the 50–50 shipping requirement relating to the carrying of cargo financed under U.S. aid programs in U.S. vessels, the provision accepted by the conference gives greater protection to U.S. shipping than the language approved by the House. The bill as finally approved provides that compensating adjustments to assure the attainment of the objectives of the 50–50 shipping requirement are to be made in the administration of other programs not only to the same area but also to other areas. As a result, this permits necessary adjustments to be made on a worldwide basis.

In conclusion, let me state again that there were 38 points of difference between the House bill and the Senate bill, and that under our Constitution we have a legislature of 2 equal bodies. There is no way in which the House can impose its will on the Senate and no way in which the Senate can dictate to the House. It is necessary to compromise, and it is the sincere conviction of all of the managers on the part of the House that the best possible compromise has been agreed to.

Mr. CHIPERFIELD. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Illinois.

(Mr. CHIPERFIELD asked and was given permission to revise and extend his remarks.)

Mr. CHIPERFIELD. Mr. Speaker, the committee of conference on the mutual security bill—H.R. 11510—was confronted with 38 differences between the House and Senate bills. Many of these were on matters of far-reaching policy and to reach agreement presented a real problem. It is one thing to compromise differences in amounts but quite another to agree on fundamental principles in a program as complex as this one.

I wanted to congratulate and commend to the House the diligent work of the distinguished gentleman from Pennsylvania, Dr. MORGAN, chairman of our committee, as well as Dr. JUDD, of Minnesota, and Mr. ZABLOCKI, of Wisconsin, in upholding the House position. I know of no Member of the House or Senate who has greater knowledge of the details of this program than these gentlemen. Their outstanding work, I believe, resulted in bringing back to the House a bill which, in my judgment, is better than either the House or Senate version.

The authorization agreed upon reduced the Senate amount over $39 million and increased the House figure about $47 million.

The House had originally cut the contingency fund by $75 million and the conferees restored $50 million of this amount. I believe this was a wise move as we are all aware of the new tensions arising in Korea, Turkey, and the plane incident since the passage of the bill by the House.

The distinguished gentleman from Virginia [Mr. HARDY] had adopted in the bill two important amendments; one requiring the submission of documents and information to the Congress, and the other requiring certain conditions be met before obligating funds under the Development Loan provisions of the act. The substance of both of these amendments were retained. The committee of conference recognized in the first amendment the prerogatives of the Executive in withholding information. However, it is not within the province of your conferees to determine the constitutionality of this issue. The conferees modified language of the other amendment to allow a reasonable flexibility.

I believe the conferees' action limiting the military assistance to American republics is a step in the right direction as it was felt this form of aid should be progressively reduced.

I was glad the conferees on the part of the House adopted a Senate amendment providing for a study to develop the program for the Point 4 Youth Corps. Even the severist critics of mutual security who had personally investigated this particular program had only admiration for its work.

Numerous other provisions were adopted which, I believe, will improve the bill including the most difficult problem of Palestine refugees, fulfillment of the objective of 50–50 shipping requirements on a worldwide basis, transportation to landlocked countries, loans to small farmers, and so forth.

Wholly aside from humanitarian and altruistic motives the main purpose of the mutual security bill is through military and economic aid to maintain the security of the United States and the free world from communistic aggression and thereby maintain the peace. Equally important as maintaining this powerful deterrent against war is to guard against surprise attacks and to know what we would be confronted with in case of aggression.

Our defense and intelligence agencies are charged by law with knowing and advising what endangers our security, whether it is behind the Iron Curtain or elsewhere. In carrying out these responsibilities it may result in embarrassing situations such as the present one. But it would be extremely hazardous, if not fatal, if we did not know the dangers with which we are confronted. I fully approve of what is being done.

The mutual security bill provides outside of our own defensive forces the best means to maintain the peace.

On the whole, I believe this conference report is the best that could be obtained and I urge its adoption.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield.

Mr. GROSS. Was there in the House bill the establishment or first steps toward the establishment of a Point 4 Youth Corps?

Mr. MORGAN. No. I want to say to the gentleman from Iowa that the House report carried a recommendation that a study of the Point 4 Youth Corps should be made by the Committee on Foreign Affairs. The Senate version of the bill carried a requirement for a study, as the gentleman knows, and authorized the use of $10,000 of technical assistance funds for this purpose. The House adopted the Senate amendment.

Mr. GROSS. Does the gentleman envisage that the establishment of this youth corps will blossom out into another multimillion-dollar enterprise?

Mr. MORGAN. No. All that is authorized is a study to be made by a non-Government foundation or a university. Programs similar to the point 4 youth program are now operating on a small scale in several of the countries in southeast Asia. I think the Pilcher committee mentioned it as one of the very good parts of the mutual security program.

Mr. GROSS. I note in the conference report provision for cultural monuments of the Upper Nile; a center for culture between the East and the West, and a hemispheric center for culture. What is all this culture going to cost; does the gentleman have any idea?

Mr. MORGAN. The item of the cultural monuments of the Upper Nile, of course, was in a Senate amendment. It is not going to cost a dime. There was an authorization to use foreign currencies in the Senate bill and the House conferees were successful in removing

this authorization and changing the language to request the President to study the matter and submit recommendations.

Mr. GROSS. What about the rest of it—the East-West Cultural Center?

Mr. MORGAN. The East-West Cultural Center, as the gentleman knows, was included in the mutual security bill that passed last year. A study was authorized to be made. The study was made and reported back by the Secretary of State on January 1 of this year. This amendment is the result of the study made and the recommendation by the Secretary of State.

Mr. GROSS. Does the gentleman have any idea what these things are going to cost, for example, the cultural center in Puerto Rico?

Mr. MORGAN. The cultural center in Puerto Rico is not going to require the use of any mutual security funds this year. This is just an authorization for a study and provides no authorization of an appropriation.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield.

Mr. REUSS. Mr. Speaker, with reference to the Point Four Youth Corps question raised by the gentleman from Iowa [Mr. GROSS], I wish to commend the managers on the part of the House for adopting the language of the Senate. That language directs the President to arrange for a nongovernmental research group or foundation to study the advisability and practicability of a Point Four Youth Corps, in which young Americans would have a chance voluntarily to serve their country abroad in technical assistance programs. I think that, if properly studied—and I may say there are at least three major American universities ready on request to make such a study—there is every indication that private foundations will fund that study, which means it will not cost the taxpayers anything if the study is made. And if the Congress at the next session chooses to adopt the recommendations of that study, a new and affirmative note in our foreign economic aid program can be struck. I commend the committee for giving the point four youth idea a chance to be born.

Mr. MORGAN. I recognize that the gentleman from Wisconsin has done a great deal of work on this Point 4 Youth Corps amendment. He introduced a bill on this subject which received very careful consideration by the Committee on Foreign Affairs. As a result of our inquiries the Executive also explored the matter and submitted recommendations. The committee has been very sympathetic to the idea and I assure the gentleman that we will await with interest the report when it is ready.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield.

Mr. EDMONDSON. There are several of us who have been much concerned about the business engineering standards on some of the public works projects in this foreign aid program. I am disturbed by the fact that the committee amendment which was brought out in the bill when it first passed the House on that point is considerably modified by the conference report, particularly by the fact that the conference language does not contain any provision that qualified engineers make a study, or that the benefit-cost determinations be supplied to the Speaker of the House and to the Senate; and, furthermore, it does not contain a prohibition against the project being built when that project does not meet the benefit-cost standards for projects in the United States.

Is it the intention of the committee to require that those standards be met on those projects, and to require that engineers make cost studies that we require in the United States?

Mr. MORGAN. This provision was incorporated in the House bill by the Foreign Affairs Committee. It was taken to conference in good faith, and the amendment adopted by the conference was the result of compromise after full discussion, during long sessions in the conference. I am sure that the amendment takes in all prescribed in Circular A–47 of the Bureau of the Budget except for adding the words "as far as practicable." It gives the President some flexibility in dealing with projects in the less developed countries.

Mr. EDMONDSON. I think the amendment as adopted represents progress, but I would like the gentleman to assure us, if he can, that the benefit-cost determinations will be available to the Congress on those projects in the future.

Mr. MORGAN. I can assure the gentleman as far as I am concerned that I will work to that end.

Mr. ADAIR. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield.

Mr. ADAIR. Would the gentleman say, with respect to this exhaustive information to which reference was just made, that it was the intent of the conferees that the provisions of Circular A–47 should apply insofar as practical?

Mr. MORGAN. Yes, sir.

Mr. BENTLEY. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield.

Mr. BENTLEY. I would like to ask the chairman about this new section, which I understand has been inserted by the Senate, 523(d), on page 7 of the conference report. This section reads:

(d) Whenever the President determines that the achievement of U.S. foreign policy objectives in a given country requires it, he may direct the chief of the U.S. diplomatic mission there to issue regulations applicable to members of the Armed Forces and officers and employees of the U.S. Government, and to contractors with the U.S. Government and their employees, governing the extent to which their pay and allowances received and to be used in that country shall be paid in local currency. Notwithstanding any other law, U.S. Government agencies are authorized and directed to comply with such regulations.

I would like to ask whether the ambassador in any given country is authorized to issue regulations applicable to all members of all U.S. military forces.

Mr. MORGAN. Only when the President so determines and directs.

Mr. BENTLEY. In other words, our ambassador would be able to issue regulations governing the pay of Army officers throughout any foreign country?

Mr. MORGAN. Only under the direction of the President of the United States.

Mr. BENTLEY. The Ambassador could under direction of the President of the United States?

Mr. MORGAN. Under the direction of the President of the United States.

Mr. BENTLEY. But how would that be worked out?

Mr. MORGAN. The President would give directions.

This amendment was put in by the other body as a direct result of black-market operations which went on in Turkey in which a number of military personnel apparently were involved. The amendment is very flexible. It gives the President authority and flexibility so that I do not think the condition described by the gentleman can occur. This is simply an effort to try to correct the black-market practices such as went on in Turkey.

Mr. BENTLEY. In other words, if the financial situation in any country is such as to warrant it, he may by reason of this amendment have authority to direct all military contingents in that country in the matter of whether they be paid in dollars or local currency or a combination of both, depending upon the circumstances.

Mr. MORGAN. That is quite correct, but the President directs both the Pentagon and the State Department.

Mr. BENTLEY. I am just wondering if this were not an example of an encroachment of the State Department on the military, the State Department taking precedence of the military.

Mr. MORGAN. The President is still Commander in Chief of the Armed Forces. I am sure he makes the decisions.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield.

Mr. VANIK. I would like to ask the chairman of the committee, in the report, I note that the Senate amendment also expressed the sense of Congress that the Development Loan Fund should give special consideration to loans and guarantees to stimulate the development of free economic institutions and private investment in the field of housing in rapidly developing countries.

I also note in the current issue of the National Savings and Loan Journal that the Development Loan Fund has just made a $2 million housing loan to a privately owned savings and loan association in Lima, Peru, known as the Association Mutual de Creditos para Vivienda Peru which was founded by Pedro Beltran, Prime Minister and Minister of Finance of Peru.

Is it the sense of your committee that these loans for housing development should be made to banks or institutions owned by prime ministers or executives of Latin American states?

Mr. MORGAN. Of course, these loans should be properly administered; but this is a sense amendment. It gives the

Development Loan Authority no new powers.

Mr. VANIK. Mr. Speaker, it is this kind of administration of the law which makes it difficult for a Member of Congress to explain his vote and compels him to apologize for it.

Mr. MORGAN. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. HARDY].

Mr. HARDY. Mr. Speaker, first of all, let me express my appreciation to the gentleman from Pennsylvania for yielding this time to me in order that I may bring to the attention of the House certain language contained in the statement of the managers on the part of the House.

I refer to the passage, commencing on page 13 of the conference report, under the heading "Submission of Documents and Information to the Congress (sec. 201(a))" which describes the action of the conferees with respect to my amendment, unanimously adopted by the House, which requires the executive branch to furnish complete and accurate information to the General Accounting Office and committees of Congress with respect to the expenditure of Defense Support funds.

The Senate version contained no such language, and the Conferees compromised by accepting the language of my amendment with a proviso that the President might deny requests for documents or information by certifying "that he has forbidden the information to be furnished pursuant to such request and gives his reasons for doing so."

Mr. Speaker, the paragraph of the statement which disturbs me most appears at the top of page 14 and reads as follows:

> The committee of conference recognizes that the separation of powers under the Constitution makes it impossible for the Congress to infringe the prerogatives of the Executive by legislative action and that consequently this provision would serve to indicate the will of the Congress but that it could neither prescribe nor limit the constitutional powers of the Executive.

Mr. MEADER. Mr. Speaker, will the gentleman yield at that point?

Mr. HARDY. I yield to the gentleman from Michigan.

(Mr. MEADER asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. MEADER. Mr. Speaker, it seems to me that what is particularly unfortunate about this language is that it refers to the "prerogatives of the Executive," but fails to mention the prerogatives of Congress. Article I, section 1 of the Constitution vests all legislative powers in the Congress.

It is clearly settled that the legislative power includes the power of inquiry—*McGrain* v. *Daugherty* (273 U.S. 135 (1927)). Since the language to which I object makes no reference to the congressional power of inquiry, it appears to accept what has been advanced by many in the executive branch of the Government as the "doctrine of Executive privilege." There has been a great deal of loose thinking and loose talk by executive agents under the label "Executive privilege" to justify increasing truculence in the executive agencies in flouting legitimate requests of congressional committees, as well as the General Accounting Office, for information concerning the conduct of the public business.

Mr. Speaker, let me hasten to say that I do not believe it is within the power of the Congress, nor within the power of Congress itself, for that matter, to divest the Congress of any authority vested in it by the Constitution of the United States. That power is inalienable.

What disturbs me is that leaders of the Congress itself unwittingly or inadvertently should lend credence to unfounded executive claims of "privilege" by including this phraseology in a formal document which becomes a part of the legislative history of the Mutual Security Act. It seems to support a claim of executive privilege advanced by officials in the executive branch which inures to the apparent enhancement of the power of the executive branch and the diminution of the power of the Congress.

Mr. Speaker, I wish there were some way to delete or amend the paragraph of the conference report which is objectionable. Upon inquiry, however, I am informed that the parliamentary situation is such that the only way this proposition could be repudiated is by rejection of the entire conference report itself. Since this remedy might be rather drastic to cure one defective paragraph of the statement of the managers when the other compromises of the conference committee by and large meet the approval of both houses, there seems to be no action open to Members of the House except to attempt to clarify the ambiguity or possible misconstruction of this passage by contesting the erroneous implication in this discussion of the conference report and by issuing a caveat to future conference and other committees to exercise caution in accepting any representations from executive agents concerning limitations on the legislative power of inquiry.

Mr. Speaker, I have discussed this matter on a great number of occasions, and my remarks appear in the CONGRESSIONAL RECORD as follows:

March 10, 1953, remarks on Attorney General's testimony re Executive privilege, pages 3848 to 3854.

March 31, 1958, remarks on Executive privilege, including Meader-Rogers correspondence, pages 5857 to 5859.

April 16, 1958, remarks during debate on amending section 161, Revised Statutes, pages 6548 to 6573.

July 14, 1958, remarks on "Congressional Investigations," including Gerald D. Morgan's California Law Review article, pages 13744 to 13749.

July 2, 1959, remarks on Hardy amendment to Mutual Security Act, page A5752—temporary RECORD.

July 21, 1959, remarks on Foreign Operations Subcommittee activities, pages 12705 to 12712—temporary RECORD.

July 28, 1959, remarks on Hardy amendment to Mutual Security Appropriations bill, pages 13264 to 13266—temporary RECORD.

September 7, 1959, remarks re Mollenhoff article on Executive privilege, pages 16921 to 16922—temporary RECORD.

In addition, Mr. Speaker, the Special Subcommittee on Government Information of the House Committee on Government Operations has made a study of secrecy in Government including the attempted withholding of information by executive agencies from committees of Congress and the General Accounting Office. The Government Operations Committee has repeatedly repudiated the so-called doctrine of Executive privilege to withhold information from Congress, and in its report issued January 25, 1960, in conclusion 6, on page 3 of that report, said the following:

> The refusal to furnish the General Accounting Office the MATS report it requested was based upon an assertion of "Executive privilege" claimed to arise from the separation of powers in the Constitution (pp. 45 to 47). The committee believes there is no foundation whatever for the alleged doctrine of "Executive privilege" to withhold information from the Congress or its agency, the General Accounting Office. Thus, there is a clear violation of section 313 of the Budget and Accounting Act of 1921 (pp. 49 and 52 to 55).

Mr. Speaker, I do not wish to discuss this issue at length at this time, but I do think it is important to point out that all of us, particularly the leadership of both the House and the Senate, have a responsibility to be continually vigilant and jealous of the prerogatives and powers of the body of which we are a part and to arise and defend those powers when they are under attack by a coordinate branch of the Government.

I can understand the President, the Attorney General or any of the 2½ million employees of the executive branch of the Government attempting to expand executive powers and to limit congressional powers, particularly those powers whereby the Congress may scrutinize the stewardship and the discharge of their trust of Federal officials, their exercise of broad statutory powers, and their administration and expenditure of public funds. It is only natural that they should seek to be free from accounting to the Congress, to the General Accounting Office, or to the general public.

What I cannot condone, however, is indifference on the part of the Congress to executive flouting of congressional authority. The congressional power of inquiry is well established as an inherent part of the legislative power. To me it is fantastic to claim that the congressional investigative power is plenary when applied to private persons and the business community, but important when applied to public affairs, public officers, and the expenditure of public funds.

Mr. HARDY. I thank the gentleman from Michigan for his very lucid remarks which go right to the heart of the matter.

I note that the Senate version of the Mutual Security Act contained no such language as my amendment, and that the conferees compromised by accepting a proviso that the President might deny requests for documents or information by certifying "that he has forbidden the information to be furnished pursuant to such request and gives his reasons for doing so." I do not at this time oppose the compromise in the statutory language even though I consider it undesir-

able, but I sincerely hope that it was not the intention of the managers for the House, by their remarks at the top of page 14 of the conference report, to indicate support of the alleged doctrine of executive privilege. Claims and denials of this doctrine have been made for many years and I feel sure that there was no intention to attempt to resolve the issue, at the expense of the powers of Congress, by a casual aside in a conference report.

Mr. MORGAN. Mr. Speaker, I appreciate the gentleman from Virginia [Mr. HARDY] and the gentleman from Michigan [Mr. MEADER] calling attention to certain phraseology in the statement of the managers that might be taken to imply congressional approval of the so-called doctrine of Executive privilege to withhold information from the Congress.

While I appreciate the possibility that the language may be so construed it was certainly not my intention, and I do not believe it was the intention of any of the other conferees, to pass judgment on this constitutional question. The conferees were simply trying to arrive at a compromise between House language which had no limitations on the requirements to provide information, and the absence of any language whatsoever on this subject in the Senate version.

What we determined was that, as a matter of policy, the Congress would not at this time insist upon requiring information in those cases, expected to be very few in number, where the President was personally convinced that the information should not be furnished and was willing publicly to state his reasons.

Mr. HARDY. I thank the gentleman. I felt certain that that was the situation.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Speaker, I commend the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania [Mr. MORGAN], for making it clear that the conference committee by the adoption of the language in section 201(a) did not desire or intend by legislative act to grant authority to the President or concede that he has constitutional authority to withhalf information of this type from the Congress.

The conference report, commenting on section 201(a), states that the conferees recognize "that the separation of powers under the Constitution makes it impossible for the Congress to infringe the prerogatives of the Executive by legislative action." This is true; Congress cannot modify the President's constitutional powers. But the President is not the sole arbiter of his own powers. He derives his powers from the Constitution and the laws enacted by Congress. When he ignores the Constitution and the laws, he may be curbed by action of Congress or the courts. He swears to uphold the laws and is under special mandate of the Constitution to enforce the laws.

The "Executive privilege" to withhold information from Congress is administrative folklore, created by Presidents and Attorneys General, simply by repeated assertions. It appears nowhere in the Constitution. No court decision has ever recognized it. On the contrary, the courts frequently have used language similar to that of the recent Watkins case of 1957:

> The power of Congress to conduct investigations is inherent in the legislative process. That power is broad. It encompasses inquiries concerning the administration of existing laws as well as proposed or possibly needed statutes. It includes surveys of defects in our social, economic, or political system for the purpose of enabling the Congress to remedy them. It comprehends probes into departments of the Federal Government to expose corruption, inefficiency, or waste (354 U.S. 178).

Section 201(a) was amended by the House of Representatives on April 21, 1960, to provide for the right of access to reports and documents by both the General Accounting Office and appropriate committees of Congress. But the conference report appears to give the right to the President to refuse such requests. Left unclarified, this might have emasculated the right-of-access amendment which was offered by my distinguished colleague the gentleman from Virginia [Mr. HARDY] and unanimously adopted by the House.

It is a matter of simple logic. If the President has such an inherent constitutional power, it need not be spelled out by statute. If he does not have the power, it is clear that the Congress does not grant it to him in this specific instance.

The conference report says:

> This provision would serve to indicate the will of the Congress * * * that it could neither prescribe nor limit the constitutional powers of the Executive.

I am sure we do not wish to fritter away the constitutional right of the Congress to sit in constant watchfulness over the executive branch.

The Constitution provides that Congress shall do all things "necessary and proper" to carry out its powers "and all other powers vested by this Constitution in the Government of the United States or in any Department or officer thereof"—article I, section 8, clause 18.

Dean Wigmore, in his great work on evidence, condemned those who assert a broad "Executive privilege" to withhold information. He said:

> The lawful limits of the (executive) privilege are extensible beyond any control, if its application is left to the determination of the very official whose interest it may be to shield a wrongdoing under the privilege. (8 Wigmore on Evidence, sec. 2378a.)

The adoption of the conference report amendment cannot create an "Executive privilege" but it may create the monster which has been conjured forth by a faulty interpretation of the Constitution. It is a pernicious doctrine, rooted in the theory of "the divine right of kings," and sooner or later, like that ancient fraud on the people, it must finally be laid to rest.

Mr. Speaker, I congratulate the chairman of the committee for having the courage in this colloquy to make it absolutely clear as a matter of legislative intent that the conference committee by the adoption of the language in section 201(a) and by the remarks on this section appearing on pages 13 and 14 of the conference report on H.R. 11510, does not create or grant and does not intend to create or grant a privilege to the President of the United States to withhold any of the information required to be furnished under section 201(a) to the Congress, its committees and subcommittees and the General Accounting Office; and further that such language in the bill and report does not admit, concede, or recognize, nor does it intend to admit, concede, or recognize, that the President in fact or in law has an alleged "executive privilege" to withhold such information from the Congress, its committees, and the General Accounting Office.

(Mr. FASCELL asked and was given permission to revise and extend his remarks.)

Mr. CHIPERFIELD. Mr. Speaker, will the gentleman yield?

Mr. HARDY. I am glad to yield to the gentleman from Illinois, the distinguished ranking member of the Committee on Foreign Affairs.

Mr. CHIPERFIELD. Mr. Speaker, I wish to associate myself with the position of the chairman of our committee, the gentleman from Pennsylvania [Mr. MORGAN]. In my remarks I said "it is not within the province of our conference to determine the constitutionality of this issue."

Mr. HARDY. I thank the gentleman.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. HARDY. I yield to my friend, the gentleman from Minnesota.

Mr. JUDD. Mr. Speaker, as one of the House conferees, I also want to concur in what has been said by the chairman. This is a constitutional question on which our committee of conference was not trying to pass judgment one way or the other. We were merely describing a situation that exists. We were trying to make it plain that we want the executive branch to make this information available to the Congress; but we do not in this act seek to compel it to do so.

Mr. HARDY. I thank the gentleman.

Mr. MONAGAN. Mr. Speaker, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from Connecticut.

(Mr. MONAGAN asked and was given permission to revise and extend his remarks.)

Mr. MONAGAN. Mr. Speaker, I am pleased to have the clarification of the language of the conference report which has been offered by the gentleman from Pennsylvania [Mr. MORGAN]. No one disputes the constitutional separation of the powers of the executive and the legislative branches, but it is the capricious assertion of privilege of withholding pertinent documents on the part of the Executive that has concerned the Hardy committee and other committees of the Congress.

The investigative function of Congress is too important to be curtailed by ex parte bureaucratic decisions. Congress is not only entrusted, but is

charged with overseeing the operations of Government agencies and it is important that no curtailment of the Congressional powers be acquiesced in, even by implication.

For that reason, I welcome the clarifying statement of the distinguished chairman of the Committee on Foreign Affairs. It will make clear that in accepting the language of the Conference report, the House, in no way, surrenders its claim to adequately exercise its investigative powers and to require responsible production of pertinent documents by the Executive.

Mr. HARDY. I am grateful to the gentleman from Illinois [Mr. CHIPERFIELD] and the gentleman from Minnesota [Mr. JUDD] for their comments on this important matter. Both of these gentlemen served on the conference and they speak with authority on what the conference intended.

I want to thank also the gentleman from Connecticut [Mr. MONAGAN] who is a valuable member of my subcommittee as well as the gentleman from Florida [Mr. FASCELL] who is so well informed about this subject.

I appreciate particularly the remarks of the gentleman from Pennsylvania [Mr. MORGAN]. His position as always carries great weight with me. He has clarified the matter considerably, and I believe that, in light of his statement and the comments of our other colleagues, the House need have no concern that its rights have been infringed in this provision. With this explanation, I shall support the conference report.

Mr. MORGAN. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. WRIGHT].

(Mr. WRIGHT asked and was given permission to revise and extend his remarks.)

Mr. WRIGHT. Mr. Speaker, when this bill was before the House, I congratulated the committee upon the inclusion of the language which appeared on page 11 of the House bill.

That language, conforming in large part to an amendment I had supported 2 years ago, required that all nonmilitary water development projects financed under the Mutual Security Act for foreign lands comply with the same benefits-costs requirements of economic feasibility which apply to domestic projects.

At that time I stated that if this language were to be deleted or materially weakened in conference, it would be my intention to oppose this bill on final passage.

For the reasons expressed by me at that time, and because of the serious weaknesses pointed out a few minutes ago by the gentleman from Oklahoma [Mr. EDMONDSON] in the section as finally approved in conference, I shall be compelled to vote against adoption of this conference committee report.

Mr. O'HARA of Illinois. Mr. Speaker, I wish to congratulate the chairman of the Committee on Foreign Affairs, Dr. MORGAN, and the other House conferees on bringing back to the House a conference report for which all can vote with good conscience. I am especially happy that the statement of policy in regard to freedom of navigation in international waterways which originated in the House Committee on Foreign Affairs remains intact in the bill that will now go to the President for his signature. I think all of us followed with interest the attempt in the other body to delete or to render weak and meaningless this statement of policy in the House bill, and it was a source of great satisfaction to all who truly believe that international waterways should be open to the ships of all nations that the attempt in the other body to delete or to make meaningless the language of the House failed. As a member of the House Committee on Foreign Affairs I wish especially to commend the very able and modest gentleman from New York [Mr. FARBSTEIN] for the outstanding contribution he made in assisting in the drafting of this statement of policy and in effectively championing it in our committee. I am sure I am speaking the sentiment of all the members of the committee when I say that no one on our committee is held in higher esteem than the gentleman from New York, and his modesty and his personal self-effacement, forgetting himself in his greater devotion to a cause in which he believes, are not the least of his virtues as appraised by his fellow members on the committee.

Mr. MORGAN. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. ADAIR].

(Mr. ADAIR asked and was given permission to revise and extend his remarks.)

Mr. ADAIR. Mr. Speaker, I have requested this time to propound a question to the managers on the part of the House. I would like to address it either to the gentleman from Pennsylvania or the gentleman from Minnesota. A number of members of the committee and of the House are concerned about the matter of advance commitments made in the Development Loan Fund. I share that concern. There was apparently a practice growing up among those in charge of that Fund of making allocations of money before specific worthwhile projects were presented by the requesting country. We felt that that was bad practice. We felt that it unduly tied up the funds that were available to the Development Loan Fund. Therefore I am asking either of the gentlemen what the action of the conferees was with respect to that practice.

Mr. JUDD. Mr. Speaker, if the gentleman will yield, the best statement I can give on that is to call attention to the third paragraph on page 15 of the statement by the House conferees. We worked on that language very carefully to clear up this very point. The Development Loan Fund is in a dilemma. Nobody wants it to go out, as the gentleman has well said, and tie up or allocate funds for projects that are still only in the dream stage. On the other hand, we ourselves last year and again this year directed the Development Loan Fund to give priority to certain types of projects in certain countries, because they are of greater importance to our own foreign policy. We did not want to put the Development Loan Fund in a straitjacket that would prevent it from doing properly what we have directed it to do. We wanted to give it authority to make informal working plans, and we expect it to do so. The staff itself must be able to sit down and say, "Now, if we have $100 million, and that is all we have, where are the places and what are the projects in which the amount can be loaned to the greatest advantage for the foreign policy of the United States, if there are economically sound and carefully studied projects that will pay back the loans, if the country survives?" The staff and the managers of the fund ought to make this sort of informal and tentative probings in making their own plans.

But under the amendment no action could be taken by the Board that would tie up or earmark or commit funds for projects until there are thoroughly worked out plans and sufficient data to show that the projects are economically sound, and such plans and data are available to the Fund as it considers definite applications from specific countries. Thus we hope we can avoid the former practice to which the gentleman objects, and at the same time not prevent the Development Loan Fund from doing properly what it ought to do.

Mr. ADAIR. In other words, the gentleman is saying that studies could be made, research could be undertaken, but no definite earmarking or allocating or setting aside of funds would be made until a worthwhile and justifiable project was presented?

Mr. JUDD. Yes. Let me read for the record two sentences from the statement of the managers on the part of the House:

> The limitation on advance allocations, reservations, earmarks, commitments, or set-asides by the Fund definitely applies to any formal action by the Fund's Board of Directors which would either bind the Fund or constitute a basis for representing to the Congress that a given sum cannot be used for other purposes. It does not mean that the Fund's staff cannot, or should not as prudent bankers, informally discuss priorities of various proposals with prospective borrowers, or internally prepare work programs and give special attention to applications from key countries.

Mr. ADAIR. I thank the gentleman.

Mr. Speaker, I think that the conferees have worked well and diligently within the framework of the bills that they had before them. I think, however, that the conference report now before us contains the same shortcomings, the same failures to which many of us objected before. Therefore, I feel that the vote upon this should be in the negative.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ADAIR. I yield.

Mr. GROSS. No matter how thick or thin the slices, this foreign handout bill, calling for the spending of $1.366 billion is approximately $48 million more than the already rich bill that went out of the House not so long ago. It is not in keeping with the administration's professed position in behalf of austerity, frugality, and economy in Government.

Mr. ADAIR. It is higher by that amount than the bill that left the House.

Mr. MORGAN. Mr. Speaker, I yield such time as he may require to the gentleman from Maine [Mr. COFFIN].

Mr. COFFIN. Mr. Speaker, I wonder if the chairman of the committee would be willing to tell the House what was the final version of the section to which we gave some attention on the House side, section 421, Loans to Small Farmers.

Mr. MORGAN. This amendment was adopted in the Committee on Foreign Affairs and in the conference was adopted intact except for the change of one word, the word "to" being changed to the word "for." It tightened up the amendment to make sure the money was not directly loaned by American Government officials, but was loaned through local agencies.

Mr. COFFIN. In the gentleman's opinion it in no way weakened the provision?

Mr. MORGAN. No, I think it strengthened it.

Mr. COFFIN. I thank the gentleman.

Mr. MORGAN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and on a division (demanded by Mr. ADAIR) there were—ayes 108, noes 60.

Mr. ADAIR. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 240, nays 138, not voting 54, as follows:

[Roll No. 88]

YEAS—240

Addonizio	Coffin	Gary
Albert	Cohelan	George
Arends	Conte	Giaimo
Ashley	Cooley	Gilbert
Aspinall	Corbett	Glenn
Auchincloss	Cramer	Goodell
Avery	Curtin	Granahan
Ayres	Curtis, Mass.	Green, Oreg.
Baker	Curtis, Mo.	Green, Pa.
Baldwin	Daddario	Griffin
Barrett	Dague	Griffiths
Barry	Daniels	Gubser
Bass, N.H.	Dawson	Hagen
Bates	Delaney	Halleck
Baumhart	Derounian	Halpern
Beckworth	Diggs	Hardy
Bentley	Dingell	Hays
Blatnik	Dixon	Healey
Boggs	Donohue	Herlong
Boland	Doolcy	Hess
Bolling	Dorn, N.Y.	Hoeven
Bolton	Downing	Holifield
Bowles	Doyle	Holland
Boykin	Dwyer	Holtzman
Brademas	Elliott, Ala.	Horan
Breeding	Elliott, Pa.	Hosmer
Brewster	Fallon	Huddleston
Brooks, Tex.	Farbstein	Ikard
Broomfield	Fascell	Inouye
Broyhill	Feighan	Irwin
Burke, Mass.	Fenton	Jarman
Byrne, Pa.	Fino	Johnson, Calif.
Byrnes, Wis.	Flood	Johnson, Colo.
Cahill	Foley	Johnson, Md.
Cannon	Forand	Johnson, Wis.
Carnahan	Ford	Jones, Ala.
Chamberlain	Frelinghuysen	Jones, Mo.
Chenoweth	Friedel	Judd
Chiperfield	Fulton	Karsten
Clark	Gallagher	Karth
Coad	Garmatz	Kasem
Kastenmeier	Mumma	St. George
Kearns	Murphy	Santangelo
Kee	Natcher	Saund
Keith	Nelsen	Schenck
Keough	Nix	Schneebeli
Kilday	Norblad	Schwengel
King, Calif.	O'Brien, Ill.	Selden
King, Utah	O'Brien, N.Y.	Sheppard
Kirwan	O'Hara, Ill.	Sisk
Kluczynski	O'Hara, Mich.	Slack
Kowalski	O'Neill	Smith, Iowa
Kyl	Osmers	Smith, Miss.
Laforc	Ostertag	Springer
Lane	Pelly	Staggers
Langen	Perkins	Stubblefield
Lankford	Philbin	Taber
Lesinski	Pillion	Teague, Calif.
Libonati	Pirnie	Teller
Loser	Price	Thompson, N.J.
McDowell	Prokop	Thornberry
McFall	Pucinski	Toll
Machrowicz	Quie	Tollefson
Madden	Quigley	Udall
Magnuson	Rabaut	Ullman
Mahon	Rains	Vanik
Mailliard	Randall	Van Zandt
Marshall	Ray	Wainwright
Martin	Reuss	Wallhauser
Matthews	Rhodes, Pa.	Watts
May	Riehlman	Weis
Meader	Rivers, Alaska	Westland
Merrow	Roberts	Widnall
Miller, Clem	Robison	Wier
Miller, N.Y.	Rodino	Wilson
Milliken	Rogers, Colo.	Wolf
Monagan	Rogers, Mass.	Yates
Morgan	Rooney	Younger
Moss	Roosevelt	Zablocki
Multer	Rostenkowski	Zelenko

NAYS—138

Abbitt	Fisher	Moore
Abernethy	Flynt	Morris, Okla.
Adair	Forrester	Moulder
Alexander	Fountain	Murray
Alford	Gathings	Norrell
Alger	Gavin	O'Konski
Allen	Grant	Oliver
Andersen, Minn.	Gray	Passman
	Gross	Patman
Andrews	Haley	Pfost
Ashmore	Hargis	Pilcher
Bailey	Harmon	Poage
Barr	Harris	Poff
Bass, Tenn.	Harrison	Preston
Becker	Hechler	Reece, Tenn.
Belcher	Hemphill	Rees, Kans.
Bennett, Fla.	Henderson	Rhodes, Ariz.
Bennett, Mich.	Hiestand	Riley
Berry	Hoffman, Ill.	Rivers, S.C.
Betts	Hoffman, Mich.	Rogers, Fla.
Blitch	Hogan	Rogers, Tex.
Bosch	Holt	Roush
Bow	Hull	Rutherford
Bray	Jennings	Saylor
Brock	Jensen	Shipley
Brooks, La.	Jonas	Short
Brown, Ga.	Kilgore	Sikes
Brown, Mo.	Kitchin	Siler
Brown, Ohio	Knox	Simpson
Budge	Laird	Smith, Calif.
Burleson	Landrum	Smith, Va.
Casey	Latta	Steed
Church	Lennon	Stratton
Collier	Levering	Thomas
Colmer	Lipscomb	Thomson, Wyo.
Cook	McCulloch	Tuck
Cunningham	McDonough	Utt
Davis, Ga.	McGinley	Van Pelt
Dent	McIntire	Wampler
Denton	McSween	Weaver
Derwinski	Mack	Wharton
Devine	Mason	Whitener
Dorn, S.C.	Meyer	Whitten
Dowdy	Michel	Winstead
Dulski	Mills	Wright
Edmondson	Minshall	
Everett	Moeller	

NOT VOTING—54

Anderson, Mont.	Flynn	Mitchell
	Fogarty	Montoya
Anfuso	Frazier	Moorhead
Barden	Hébert	Morris, N.Mex.
Baring	Jackson	Morrison
Bonner	Johansen	Porter
Buckley	Kelly	Powell
Burdick	Kilburn	Scherer
Burke, Ky.	Lindsay	Scott
Canfield	McCormack	Shelley
Cederberg	McGovern	Smith, Kans.
Celler	McMillan	Spence
Chelf	Macdonald	Sullivan
Davis, Tenn.	Metcalf	Taylor
Durham	Miller, George P.	Teague, Tex.
Evins		Thompson, La.
Thompson, Tex.	Walter	Withrow
Trimble	Williams	Young
Vinson	Willis	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Williams against.
Mr. Buckley for, with Mr. Young against.
Mr. McCormack for, with Mr. Scott against.
Mr. Vinson for, with Mr. Bonner against.
Mr. Fogarty for, with Mr. Morrison against.
Mr. Lindsay for, with Mr. Scherer against.
Mr. Kilburn for, with Mr. Johansen against.
Mr. Taylor for, with Mr. Withrow against.
Mr. Anfuso for, with Mr. Smith of Kansas against.
Mr. Walter for, with Mr. Barden against.
Mr. Celler for, with Mr. Baring against.
Mr. Shelley for, with Mr. Thompson of Louisiana against.
Mr. George P. Miller for, with Mr. Willis against.
Mrs. Kelly for, with Mr. McMillan against.
Mrs. Sullivan for, with Mr. Thompson of Texas against.
Mr. Trimble for, with Mr. Flynn against.

Until further notice:

Mr. Burdick with Mr. Canfield.
Mr. Montoya with Mr. Cederberg.
Mr. Morris of New Mexico with Mr. Jackson.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

COMMITTEE ON APPROPRIATIONS

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow night to file a privileged report on two appropriation bills, military construction and legislative.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. TABER reserved all points of order on both bills.

COMMITTEE ON RULES

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

SUBCOMMITTEE ON LEGISLATIVE OVERSIGHT

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Legislative Oversight may be permitted to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

FEDERAL HIGHWAY ACT OF 1960

Mr. DELANEY. Mr. Speaker, I call up House Resolution 520 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10495) to authorize appropriations for the fiscal years 1962 and 1963 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DELANEY. Mr. Speaker, I yield myself such time as I may require, after which I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. Speaker, House Resolution 520 provides for the consideration of H.R. 10495, to authorize appropriations for the fiscal years 1962 and 1963 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes. The resolution provides for an open rule, waiving points of order, with 2 hours of general debate.

H.R. 10495 is the usual biennial authorization for the fiscal years of 1962 and 1963 for the A–B–C Federal-aid highway program and for the several classes of Federal domain roads. It is deemed necessary to authorize funds for these fiscal years for both the Federal-aid primary and secondary highway systems and their extensions within urban areas so that the several States may prepare their plans, including the all-important financing arrangements required to match the Federal-aid funds, and to permit apportionment of such funds in accordance with law for future highway contruction.

The amount of the funds authorized in the bill for the A–B–C program for each of the fiscal years is identical with the amount authorized for the fiscal year ending June 30, 1961. The authorization for fiscal year 1961 provided for $925 million for the A–B–C program, and H.R. 10495 would provide the same amount for fiscal years 1962 and 1963.

The Committee on Public Works was convinced by the testimony it received that the amounts in this bill for the A–B–C program provide an adequate basis for the continuation of this vital program at or near the level contemplated at the time of enactment of the Federal-Aid Highway Act of 1956. In order to be successful, this program must be continued on an orderly basis from year to year.

The A–B–C highways extend into every county of the United States. They include both primary and secondary roads, and their extensions within urban areas. The present extent of the primary system is 260,170 miles, including 237,117 miles in rural areas and 22,993 in urban areas. The secondary system, by far the larger of the two in terms of linear miles, consists of 570,399 miles, including 559,248 rural miles and 11,151 urban miles. At the present time the total A–B–C highways embrace approximately 790,000 miles and carry about 48 percent of the total of all highway traffic in this country, and traffic on these roads can be expected to increase over the next few years.

Mr. Speaker, I urge the adoption of House Resolution 520.

Mr. ALLEN. Mr. Speaker, I have no requests for time.

Mr. DELANEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. FALLON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10495) to authorize appropriations for the fiscal years 1962 and 1963 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 10495, with Mr. DELANEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. FALLON. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, the bill before the House, H.R. 10495, is to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes.

Let me state at the outset that the effect of this legislation is to continue Federal policy without change, insofar as the so-called A–B–C highways are concerned. This is the biennial bill providing for the continuation of the long-established Federal-aid highway program for the fiscal years 1962 and 1963. In considering this legislation, the Committee on Public Works has taken the position that there should be no change in the present level of authorizations at this time, inasmuch as it is anticipated that the next Congress will deal in a comprehensive and detailed way with the entire Federal-aid highway program.

Since 1956, the Congress has followed the policy of increasing the amounts authorized for A–B–C highways—the Federal-aid primary and secondary systems and the urban extensions—in annual increments of $25 million. This incremental increase was contemplated to be continued until A–B–C authorizations reached $1 billion annually. Such an increase is necessary to keep the program in balance. However, the present bill does not call for any incremental increases in the A–B–C program, but, instead, authorizes an amount for each of the 2 fiscal years, 1962 and 1963, identical to the $925 million which was authorized for fiscal 1961.

The committee agreed to this departure from established policy with considerable reluctance, in view of the demonstrated need for the enlargement of the A–B–C construction program.

Two factors made it seem desirable to hold the A–B–C authorizations down to the current level:

First. The anticipated income of the highway trust fund is not sufficient to finance any increase in the A–B–C program without reducing the interstate program by an equivalent amount. Progress on the Interstate System has already been slowed down by the financial pinch, and it was felt that it would be unwise to force a further slowdown on Interstate work.

Second. In 1958, the Congress enacted legislation providing a $400 million emergency fund for use in the A–B–C highway construction as an antirecession measure. For this reason, the A–B–C program is somewhat ahead of the schedule contemplated in 1956, while the Interstate program is behind schedule.

The needs of the A–B–C system are urgent. It is by no means the intent of the present legislation to freeze the rate of progress on the A–B–C program to current levels. It is my hope, and I believe the hope of a majority of the members of the Committee on Public Works, that the A–B–C program will be accelerated at least until the $1 billion a year level is reached. The long-range needs of the A–B–C program should be considered in conjunction with the consideration of the needs of the Interstate System as a part of the legislative package which we hope to enact in 1961.

I do not believe that we can afford to stretch out our highway program. The price of land, the price of labor, and the price of many materials used in highway construction are all increasing. During the past three and a half years there has been practically no increase at all in the level of prices paid to highway contractors. However, it seems apparent that the cost of highways will never be less than it is now, and that the Federal investment in highways at current prices is a good buy.

It is true, also, that the Nation is paying a high price in terms of economic waste and in terms of lives lost in highway accidents, as the price of inadequate roads. The proved safety record of modern roads, as contrasted with the record of obsolete roads, indicates that many lives could be saved by the timely construction of adequate highways.

The A–B–C system, extending into every county of the United States, must be developed along with the Interstate System if we are to have a complete, integrated network of modern highways and secondary roads in the country.

When the 1956 Highway Act was passed, our population was about 167

Public Law 86-472
86th Congress, H. R. 11510
May 14, 1960

AN ACT

74 STAT. 134.

To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Security Act of 1960". Mutual Security Act of 1960.

STATEMENT OF POLICY

SEC. 2. Section 2 of the Mutual Security Act of 1954, as amended, which is a statement of policy, is further amended by adding at the end thereof the following: 70 Stat. 555. 22 USC 1750.

"(f) It is the sense of the Congress that inasmuch as—

"(1) the United States favors freedom of navigation in international waterways and economic cooperation between nations; and

"(2) the purposes of this Act are negated and the peace of the world is endangered when nations which receive assistance under this Act wage economic warfare against other nations assisted under this Act, including such procedures as boycotts, blockades, and the restriction of the use of international waterways;

assistance under this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be administered to give effect to these principles, and, in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this Act or arising under the Agricultural Trade Development and Assistance Act of 1954, as amended, these principles shall be applied, as the President may determine, and he shall report on measures taken by the Administration to insure their application." 68 Stat. 454. 7 USC 1691 note.

CHAPTER I—MILITARY ASSISTANCE

MILITARY ASSISTANCE

SEC. 101. Chapter I of the Mutual Security Act of 1954, as amended, which relates to military assistance, is amended as follows: 68 Stat. 833. 22 USC 1811-1817.

(a) In section 103, which relates to authorizations, insert the following new subsection (d): 22 USC 1813.

"(d) The value of programs of equipment and materials for American Republics, pursuant to any authority contained in this chapter other than section 106, in any fiscal year beginning with the fiscal year 1961, shall not exceed $55,000,000. For the purposes of this subsection, the value of nonexcess equipment and materials shall be as defined in section 545(h) of this Act, and the value of excess equipment and materials (as excess is defined in section 545(e) of this Act) shall mean the acquisition cost to the Armed Forces of the United States of such equipment and materials." 22 USC 1816. 22 USC 1751.

(b) In section 105(b)(4), which relates to conditions applicable to military assistance, strike out the last sentence. 22 USC 1815.

CHAPTER II—ECONOMIC ASSISTANCE

DEFENSE SUPPORT

SEC. 201. Title I of chapter II of the Mutual Security Act of 1954, as amended, which relates to defense support, is amended as follows:

(a) In the first sentence of section 131(a), which relates to the authority of the President to furnish defense support, insert immedi- 22 USC 1841.

ately before the period at the end thereof the following proviso: ": *Provided*, That either all documents, papers, communications, audits, reviews, findings, recommendations, reports, and other material which relate to operations or activities under this title are furnished to the General Accounting Office and to any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation, appropriations, or expenditures under this title, upon request of the General Accounting Office or such committee or subcommittee as the case may be, or the President certifies that he has forbidden the information to be furnished pursuant to such request and gives his reasons for doing so".

22 USC 1841. (b) In section 131(b), which relates to general authority, strike out "1960" and "$751,000,000" and substitute "1961" and "$675,000,000", respectively.

22 USC 1851. (c) In section 141, which relates to conditions of eligibility for assistance, strike out "No such assistance" in the second sentence and substitute "No defense support or military equipment and materials".

22 USC 1852. (d) In section 142(a), which relates to agreements, strike out "No assistance" in the introductory clause and substitute "No defense support or military equipment and materials".

DEVELOPMENT LOAN FUND

SEC. 202. Title II of chapter II of the Mutual Security Act of 1954, as amended, which relates to the Development Loan Fund, is amended as follows:

22 USC 1871. (a) Amend section 201, which states the purposes of the Development Loan Fund, as follows:

(1) In the last sentence, after "to develop their economic resources" insert "and free economic institutions", and after "to increase their productive capabilities" insert "in agriculture as well as in industry".

(2) At the end of the section, add the following new sentences: "The Congress recognizes that the accomplishment of the purposes of this title in rapidly developing countries requires the development of free economic institutions and the stimulation of private investment, local as well as foreign, in the field of housing. It is the sense of the Congress that, consistent with the other purposes of this title, special consideration should be given to loans and guarantees to stimulate activities in this field."

22 USC 1872. (b) Amend section 202, which relates to general powers of the Development Loan Fund, as follows:

(1) In clause (3) of the first sentence of subsection (b) insert "or free economic institutions" after "economic resources".

(2) At the end of the section, add the following new subsection:

"(c) The Fund shall not allocate, reserve, earmark, commit, or otherwise set aside, funds aggregating in excess of $50,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country together with sufficient information and assurances to indicate reasonably that the funds will be used in an economically and technically sound manner, or (2) the President determines with respect to each such allocation, reservation, earmarking, commitment, or set-aside that it is in the national interest to use such funds pursuant to multilateral plans."

22 USC 1875. (c) In section 205(a). which relates to management, powers, and authorities, strike out "Under Secretary of State for Economic Affairs" in the first sentence and substitute "Secretary of State".

TECHNICAL COOPERATION

SEC. 203. Title III of chapter II of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is amended as follows:

(a) In section 304, which relates to authorization, strike out "$179,500,000" and "1960" and substitute "$172,000,000" and "1961", respectively. 22 USC 1894.

(b) Amend section 306, which relates to multilateral technical cooperation and related programs, as follows: 22 USC 1896.

(1) In subsection (a), which relates to contributions to the United Nations Expanded Program of Technical Assistance and related fund, strike out "$30,000,000" and "1960" and substitute "$33,000,000" and "1961", respectively.

(2) In subsection (b), which relates to contributions to the technical cooperation program of the Organization of American States, strike out "1960" and substitute "1961".

(c) In section 307, which relates to advances and grants, insert "(a)" immediately after "SEC. 307. ADVANCES AND GRANTS; CONTRACTS.—", and at the end thereof add the following: 22 USC 1897.

"(b) The President shall arrange for a nongovernmental research group, university, or foundation to study the advisability and practicability of a program, to be known as the Point Four Youth Corps, under which young United States citizens would be trained and serve abroad in programs of technical cooperation. Not to exceed $10,000 from funds made available pursuant to section 304 of this Act may be used to help defray the expenses of such a study."

(d) Repeal section 308, which relates to the International Development Advisory Board. 22 USC 1898.

SPECIAL ASSISTANCE AND OTHER PROGRAMS

SEC. 204. Title IV of chapter II of the Mutual Security Act of 1954, as amended, which relates to special assistance and other programs, is amended as follows:

(a) In section 400(a), which relates to special assistance, strike out "1960" and "$247,500,000" and substitute "1961" and "$256,000,000", respectively. 22 USC 1920.

(b) In section 401, which relates to the United Nations Emergency Force, strike out "1960" in the second sentence and substitute "1961". 73 Stat. 249.

(c) In section 402, which relates to earmarking of funds, strike out "1960" in the first sentence and substitute "1961". 22 USC 1922.

(d) In section 403, which relates to responsibilities in Germany, strike out "1960" and "$7,500,000" in the first sentence and substitute "1961" and "$6,750,000", respectively. 22 USC 1923.

(e) Insert after section 403 the following new section 404:

"SEC. 404. INDUS BASIN DEVELOPMENT.—The Congress of the United States welcomes the progress made through the good offices of the International Bank for Reconstruction and Development toward the development of the Indus Basin through a program of cooperation among south Asian and other nations of the free world in order to promote economic growth and political stability in south Asia, and affirms the willingness of the United States, pursuant to authorities contained in this and other Acts, to participate in this significant undertaking. In the event that funds appropriated pursuant to this Act are made available to be used by or under the supervision of the International Bank for Reconstruction and Development in furtherance of the foregoing purposes, such funds may be used in accordance with requirements, standards, or procedures established by the Bank

concerning completion of plans and cost estimates and determinatio of feasibility, rather than with requirements, standards, or procedure concerning such matters set forth in this or other Acts; and such fund may also be used without regard to the provisions of section 901(b 68 Stat. 832. of the Merchant Marine Act of 1936, as amended (46 U.S.C. 1241) whenever the President determines that such provisions cannot b fully satisfied without seriously impeding or preventing accomplish ment of such purposes: *Provided*, That compensating allowances ar made in the administration of other programs to the same or othe areas to which the requirements of said section 901(b) are applicable.

73 Stat. 250. 22 USC 1925. (f) Amend section 405, which relates to migrants, refugees, an escapees, as follows:

(1) In subsection (c), which relates to contributions to the progran of the United Nations High Commissioner for Refugees, strike ou "1960" and "$1,100,000" and substitute "1961" and "$1,300,000" respectively.

(2) In subsection (d), which relates to the continuation of activi ties undertaken for selected escapees, strike out "1960" and "$5,200, 000" and substitute "1961" and "$3,500,000", respectively.

22 USC 1926. (g) In section 406, which relates to children's welfare, strike o "1960" and substitute "1961".

22 USC 1927. (h) Amend section 407, which relates to Palestine refugees in th Near East, to read as follows:

"SEC. 407. PALESTINE REFUGEES IN THE NEAR EAST.—There is here by authorized to be appropriated to the President for the fiscal yea 1961 not to exceed $16,500,000 to be used to make contributions to th United Nations Relief and Works Agency for Palestine Refugees i the Near East. In determining whether or not to continue furnish ing assistance for Palestine refugees in the Near East, the President shall take into account whether Israel and the Arab host governments are taking steps toward the resettlement and repatriation of such refugees. It is the sense of the Congress that the earliest possible rectification should be made of the Palestine refugee rolls in orde to assure that only bona fide refugees whose need and eligibility fo relief have been certified shall receive aid from the Agency and that the President in determining whether or not to make United States contributions to the Agency should take into consideration the extent and success of efforts by the Agency and the host governments to rectify such relief rolls. The President shall include in his recom mendations to the Congress for fiscal year 1962 programs under this Act a report concerning the progress made toward the rectification of the relief rolls as well as toward the repatriation and resettlement the refugees by the governments directly concerned. Whenever th President shall determine that it would more effectively contribute to the relief, repatriation, and resettlement of Palestine refugees in the Near East he may expend any part of the funds made available pursuant to this section through any other agency he may designate."

22 USC 1929. (i) Section 409, which relates to ocean freight charges, is amended as follows:

(1) In subsection (a), after "such nations and areas" insert ", or, in the case of such nations and areas which are landlocked, trans portation charges from the United States ports to designated points of entry in such nations and areas,".

(2) In subsection (c), strike out "1960" and "$2,300,000" and sub stitute "1961" and "$2,000,000", respectively.

22 USC 1931. (j) Amend section 411, which relates to administrative and other expenses, as follows:

(1) In subsection (b), which relates to certain expenses of administering nonmilitary assistance, strike out "1960" and "$39,500,000" and substitute "1961" and "$40,000,000", respectively.

(2) In subsection (c), which relates to administrative and other expenses of the Department of State, strike out "to" after "appropriated" and substitute "for expenses of".

(k) Section 412, which relates to the President's special education and training fund, is repealed. 22 USC 1932.

(l) In section 419(a), which relates to atoms for peace, strike out "1960" and "$6,500,000" and substitute "1961" and "$3,400,000", respectively. 22 USC 1939.

(m) Add the following new section after section 420: 22 USC 1940.

"Sec. 421. Loans to Small Farmers.—It is the policy of the United States and the purpose of this section to strengthen the economies of underdeveloped nations, and in nations where the economy is essentially rural or based on small villages, to provide assistance designed to improve agricultural methods and techniques, to stimulate and encourage the development of local programs of self-help and mutual cooperation, particularly through loans of foreign currencies for associations of operators of small farms, formed for the purpose of joint action designed to increase or diversify agricultural productivity. The maximum unpaid balance of loans made to any association under this section may not exceed $25,000 at any one time; and the aggregate unpaid balance of all loans made under this section may not exceed $10,000,000 at any one time."

Chapter III—Contingency Fund

Sec. 301. Section 451(b) of the Mutual Security Act of 1954, as amended, which relates to the President's special authority and contingency fund, is amended by striking out "1960" and "$155,000,000" in the first sentence and substituting "1961" and "$150,000,000", respectively. 22 USC 1951.

Chapter IV—General and Administrative Provisions

Sec. 401. Chapter IV of the Mutual Security Act of 1954, as amended, which relates to general and administrative provisions, is amended as follows:

(a) Section 502, which relates to use of foreign currency, is amended as follows: 22 USC 1754.

(1) Subsection (b) is amended as follows:

(i) Insert after the word "expended" in the proviso the words "and the amounts of dollar expenditures made from appropriated funds in connection with travel outside the United States".

(ii) Amend the second sentence to read as follows: "Within the first sixty days that Congress is in session in each calendar year, the chairman of each such committee shall prepare a consolidated report showing the total itemized expenditures during the preceding calendar year of the committee and each subcommittee thereof, incurred as a result of the official activities of the members and employees of such committee or subcommittee, and shall forward such consolidated report to the Committee on House Administration of the House of Representatives (if the committee be a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Committee on Appropriations of the Senate (if the committee be a Senate committee or a joint committee whose funds are disbursed by the Secretary of the Senate)."

74 STAT. 139.

(2) At the end of the section, add the following new subsection
"(c) It is the sense of the Congress that prompt and careful con
sideration should be given to participation by the United States in an
internationally financed program which would utilize foreign cur
rencies available to the United States to preserve the great cultural
monuments of the Upper Nile. Accordingly, the President is re
quested to submit to the Congress on or before March 1, 1961, his
recommendations concerning such a program."

22 USC 1756. (b) Section 504(d), which relates to small machine tools and other
industrial equipment, is repealed.

22 USC 1757. (c) In section 505(a), which relates to loan assistance and sales
insert after the first sentence the following new sentence: "Commodi
ties, equipment, and materials transferred to the United States as re
payment may be used for assistance authorized by this Act, other
than title II of chapter II, in accordance with the provisions of this
Act applicable to the furnishing of such assistance.".

22 USC 1765. (d) In section 513, which relates to notice to legislative committees
insert before ", and copies" in the last sentence the following: "and
under the last clause of the second sentence of section 404".

22 USC 1766c. (e) Amend section 517, which relates to completion of plans and
cost estimates, as follows:
(1) Insert "(a)" immediately after "SEC. 517. COMPLETION OF
PLANS AND COST ESTIMATES.—".
(2) Add the following at the end of such section:
"(b) Plans required under this section for any water or related
land resource construction project or program shall include a com
putation of benefits and costs made insofar as practicable in accord
ance with the procedures set forth in Circular A–47 of the Bureau of
the Budget with respect to such computations."

22 USC 1783. (f) Amend section 523, which relates to coordination with foreign
policy, by adding the following new subsection:
"(d) Whenever the President determines that the achievement of
United States foreign policy objectives in a given country requires it
he may direct the chief of the United States diplomatic mission there
to issue regulations applicable to members of the Armed Forces and
officers and employees of the United States Government, and to con
tractors with the United States Government and their employees
governing the extent to which their pay and allowances received and
to be used in that country shall be paid in local currency. Notwith
standing any other law, United States Government agencies are au
thorized and directed to comply with such regulations."

22 USC 1787. (g) Amend section 527, which relates to employment of personnel
as follows:
(1) In subsection (c), which relates to employment of personnel
outside the United States, strike out "Director" in the introductory
clause and substitute "President"; and insert before the period at the
end of paragraph (2) the following new proviso: ": *Provided fur
ther*, That Foreign Service Reserve officers appointed or assigned
pursuant to this paragraph shall receive in-class promotions in ac
cordance with such regulations as the President may prescribe".
(2) In subsection (d), which relates to appointment of alien em
ployees outside the United States, strike out ", at the request of the
Director".

22 USC 1791. (h) Section 531, which relates to security clearance, is amended to
read as follows:
"SEC. 531. SECURITY CLEARANCE.—The standards and procedures
set forth in Executive Order Numbered 10450, as amended or supple
mented, shall apply to the employment under this Act by any agency

administering nonmilitary assistance of any citizen or resident of the United States."

(i) In subsection (c) of section 533A, relating to the Inspector General and Comptroller, strike out paragraph (9) and renumber paragraphs (10) and (11) as paragraphs (9) and (10), respectively. 22 USC 1793.

(j) In section 534(a), which relates to reports, strike out "six months" in the first sentence and substitute "fiscal year". 22 USC 1794.

(k) In section 537(a), which relates to provisions on uses of funds, amend paragraph (3) to read as follows: 22 USC 1797.

"(3) contracting with individuals for personal services abroad: *Provided*, That such individuals shall not be regarded as employees of the United States for the purpose of any law administered by the Civil Service Commission;".

(l) In section 537(c), which relates to construction or acquisition of facilities abroad, strike out "$2,750,000" and substitute "$4,250,000".

(m) Add the following new section immediately after section 551:

"Sec. 552. Assistance to Cuba.—No assistance shall be furnished under this Act to Cuba after the date of enactment of the Mutual Security Act of 1960 unless the President determines that such assistance is in the national and hemispheric interest of the United States."

Chapter V—Technical Amendments Reflecting New Limits of United States

Sec. 501. The Mutual Security Act of 1954, as amended, is amended as follows:

(a) In section 205(c), strike out "continental" in the twelfth clause of the first sentence. 22 USC 1875.

(b) In section 411(d), strike out "the continental limits of". 22 USC 1931.

(c) In section 527(c), strike out "the continental limits of" in the introductory clause. 22 USC 1787.

(d) In section 527(d), strike out "the continental limits of".

(e) In section 530(a), strike out "the continental limits of". 22 USC 1790.

(f) In section 537(a), strike out "continental" in the last proviso of paragraph (5) and in paragraphs (13) and (17); and strike out "the continental limits of" in paragraph (10). 22 USC 1797.

Chapter VI—Amendments to Other Laws

Sec. 601. Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1721 and the following), which relates to famine relief and other assistance, is amended as follows:

(a)(1) In section 202, strike out "The" at the beginning thereof and substitute the following: "In order to facilitate the utilization of surplus agricultural commodities in meeting the requirements of needy peoples, and in order to promote economic development in underdeveloped areas in addition to that which can be accomplished under title I of this Act, the". 7 USC 1722.

(2) The amendment made by this subsection shall expire June 30, 1961.

(b) In section 203, which relates to delivery of relief supplies, in the third sentence after the words "designated ports of entry abroad" insert ", or, in the case of landlocked countries, transportation from United States ports to designated points of entry abroad,", and before the period at the end of such sentence insert the following: ", and charges for general average contributions arising out of the ocean transport of commodities transferred pursuant hereto may be paid from such funds". 7 USC 1723.

74 STAT. 141.

22 USC 1941.

Sec. 602. Section 501(b) of the Mutual Security Act of 1959 (73 Stat. 256), which relates to international cooperation in health, is repealed.

62 Stat. 15.

Sec. 603. Section 3(a) of Public Law 403, Eightieth Congress, as amended (22 U.S.C. 280b), which relates to United States membership in the South Pacific Commission, is amended by striking out "$75,000" and substituting "$100,000".

Sec. 604. The President shall have a study made of the functions of, and the degree of coordination among, agencies engaged in foreign economic activities, including the Department of State, the International Cooperation Administration, the Development Loan Fund, the Export-Import Bank, and the Department of Agriculture, with a view to providing the most effective means for the formulation and implementation of United States foreign economic policies. The President shall include in his presentation to the Congress of the fiscal year 1962 mutual security program his findings and recommendations resulting from such study.

Chapter VII—Center for Cultural and Technical Interchange Between East and West

"Center for Cultural and Technical Interchange Between East and West Act of 1960."

Sec. 701. This chapter may be cited as the "Center for Cultural and Technical Interchange Between East and West Act of 1960".

Sec. 702. The purpose of this chapter is to promote better relations and understanding between the United States and the nations of Asia and the Pacific (hereinafter referred to as "the East") through cooperative study, training, and research, by establishing in Hawaii a Center for Cultural and Technical Interchange Between East and West where scholars and students in various fields from the nations of the East and West may study, give and receive training, exchange ideas and views, and conduct other activities primarily in support of the objectives of the United States Information and Educational Exchange Act of 1948, as amended, title III of chapter II of the Mutual Security Act of 1954, and other Acts promoting the international, educational, cultural, and related activities of the United States.

22 USC 1431 note; 1891-1898.

Sec. 703. In order to carry out the purpose of this chapter the Secretary of State (hereinafter referred to as the "Secretary") shall provide for—

(1) the establishment and operation in Hawaii of an educational institution to be known as the Center for Cultural and Technical Interchange Between East and West, through arrangements with public, educational, or other nonprofit institutions;

(2) grants, fellowships, and other payments to outstanding scholars and authorities from the nations of the East and West as may be necessary to attract such scholars and authorities to the Center;

(3) grants, scholarships, and other payments to qualified students from the nations of the East and West as may be necessary to enable such students to engage in study or training at the Center; and

(4) making the facilities of the Center available for study or training to other qualified persons.

Sec. 704. (a) In carrying out the provisions of this chapter, the Secretary may utilize his authority under the provisions of the United States Information and Educational Exchange Act of 1948, as amended.

(b) The Secretary may, in administering the provisions of this chapter, accept from public and private sources money and property to be utilized in carrying out the purposes and functions of the Center. In utilizing any gifts, bequests, or devises accepted there shall be available to the Secretary the same authorities as are available to him in accepting and utilizing gifts, bequests, and devises to the Foreign Service Institute under the provisions of the title X, part C of the Foreign Service Act of 1946, as amended. For the purposes of Federal income, estate, and gift taxes, any gift, devise, or bequest accepted by the Secretary under the authority of this chapter shall be deemed to be a gift, devise, or bequest to or for the use of the United States. 22 USC 809.

(c) The Secretary shall make an annual report to the Congress with respect to his activities under the provisions of this chapter, and such report shall include any recommendations for needed revisions in this chapter. Report to Congress.

SEC. 705. There are authorized to be appropriated, to remain available until expended, such amounts as may be necessary to carry out the provisions of this chapter. Appropriations.

CHAPTER VIII—HEMISPHERIC CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE

STATEMENT OF PURPOSE

SEC. 801. The purpose of this chapter is to promote better relations and understanding between the United States and the other nations of the Western Hemisphere (hereinafter referred to as "the Hemisphere") through cooperative study and research, by establishing in Puerto Rico a Hemispheric Center for Cultural and Technical Interchange, either as a branch of an existing institution of higher learning or as a separate institution, where scholars and students, in various fields from the nations of the Hemisphere may meet, study, exchange ideas and views, and conduct other activities primarily in support of the objectives of the United States Information and Educational Exchange Act of 1948, as amended, and title III of chapter II of the Mutual Security Act of 1954 and other Acts promoting the international educational, cultural, and related activities of the United States. 22 USC 1431 note; 1891-1898.

ESTABLISHMENT OF CENTER

SEC. 802. In order to carry out the purposes of this chapter the Secretary of State (hereinafter referred to as "Secretary"), after consultation with appropriate public and private authorities, may, on or before January 3, 1961, prepare and submit to the Congress a plan and program for—

(1) the establishment and operation in Puerto Rico of an educational institution to be known as the Hemispheric Center for Cultural and Technical Interchange through arrangements to be made with public, educational, or other nonprofit institutions;

(2) grants, fellowships, and other payments to outstanding scholars and authorities from the nations of the Hemisphere as may be necessary to attract such scholars and authorities to the Center;

(3) grants, scholarships, and other payments to qualified candidates from the nations of the Hemisphere as may be necessary to enable such students to engage in study at the Center; and

(4) making the facilities of the Center available for study to other qualified persons on reasonable basis.

Approved May 14, 1960.

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IMMEDIATE RELEASE May 16, 1960

A. Wayne Hawks, Acting Assistant Press Secretary

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THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have signed into law the Mutual Security Act of 1960.

I am highly gratified by the action of the Congress on this measure. The Act embodies essentially all of the requests I have put forward as necessary for the successful continuation of the Mutual Security Program, and, with one regrettable exception, the Congress has resisted the addition of amendments which would adversely affect our foreign relations or impair the administration of the Program.

I believe it is impressive that, after extensive and searching hearings on the bill conducted by the authorizing committees of both Houses, the Congress concluded that substantially all of the funds requested are necessary for carrying forward important economic aspects of the Program. The same high degree of responsibility and regard for our national interests will, I trust, result in not only the full sums now authorized for certain economic programs but also in the full appropriations which I have requested as necessary to provide for the Development Loan Fund and the Military Assistance Program.

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S. 3058

AMENDMENT

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

MARCH 21, 1960

Referred to the Committee on Foreign Relations and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. FULBRIGHT to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz: On page 11, after line 9, insert the following:

SEC. 605. Title II of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1431), which relates to interchange of persons, knowledge, and skills, is amended by adding the following:

"ASSISTANCE TO STUDENTS FROM OTHER COUNTRIES

"SEC. 204. (a) With respect to students from other countries attending colleges or universities in the United States, under the provisions of this Act or under any other Government, institution, or individual program which furthers

86TH CONGRESS
2D SESSION

S. 3058

AMENDMENT

Intended to be proposed by Mr. FULBRIGHT to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

MARCH 21, 1960

Referred to the Committee on Foreign Relations and ordered to be printed

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

MARCH 21, 1960

Referred to the Committee on Foreign Relations and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. FULBRIGHT to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz: On page 11 after line 9, insert the following:

SEC. 605. The President shall have a study made of the functions of, and the degree of coordination among, agencies engaged in foreign economic activities, including the Department of State, the International Cooperation Administration, the Development Loan Fund, the Export-Import Bank, and the Department of Agriculture, with a view to simplifying and rationalizing the formulation and implementation of United States foreign economic policies. The President shall include in his presentation to the Con-

gress of the fiscal year 1962 mutual security program his findings and recommendations resulting from such study.

86TH CONGRESS
2D SESSION

S. 3058

AMENDMENT

Intended to be proposed by Mr. FULBRIGHT to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

MARCH 21, 1960

Referred to the Committee on Foreign Relations and ordered to be printed

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

MARCH 21, 1960

Referred to the Committee on Foreign Relations and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. FULBRIGHT to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz: On page 1, strike out lines 7 through 10 and insert:

SEC. 101. Section 105 (b) (4) of the Mutual Security Act of 1954, as amended, which relates to conditions applicable to military assistance to Latin America, is amended by striking out the last sentence and substituting the following: "The value of equipment and materials delivered to American Republics, pursuant to any authority contained in this chapter, in any fiscal year beginning with the fiscal year 1961, shall not exceed the value so delivered in the fiscal year 1959."

86TH CONGRESS
2D SESSION

S. 3058

AMENDMENT

Intended to be proposed by Mr. FULBRIGHT to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

MARCH 21, 1960
Referred to the Committee on Foreign Relations and ordered to be printed

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

MARCH 23, 1960

Referred to the Committee on Foreign Relations and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. FULBRIGHT to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz: On page 8, after line 2, insert the following:

"(d) Amend section 523, which relates to coordination with foreign policy, by adding the following new subsection:

"(d) Whenever the Chief of the United States diplomatic mission in a country determines that the achievement of United States foreign policy objectives there requires it, he may issue regulations of uniform applicability to all officers and employees of the United States Government and of contractors with the United States Government

governing the extent to which their pay and allowances received in that country shall be paid in local currency. Notwithstanding any other law, United States Government agencies are authorized and directed to comply with such regulations."

86TH CONGRESS
2D SESSION

S. 3058

AMENDMENT

Intended to be proposed by Mr. FULBRIGHT to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

MARCH 23, 1960
Referred to the Committee on Foreign Relations and ordered to be printed

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

APRIL 25, 1960
Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. WILLIAMS of Delaware to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

On page 19, between lines 20 and 21, insert the following:

"(a) Section 502, which relates to use of foreign currency, is amended as follows:

"(1) Subsection (b) is amended as follows:

"'(i) Insert after the word "expended" in the proviso the words "and the amounts of dollar expenditures made from appropriated funds in connection with travel outside the United States".

"'(ii) Amend the second sentence to read as follows:

"Within the first sixty days that Congress is in session in each calendar year, the chairman of each such committee shall prepare a consolidated report showing the total itemized expenditures during the preceding calendar year of the committee and each subcommittee thereof, and of each member and employee of such committee or subcommittee, and shall forward such consolidated report to the Committee on House Administration of the House of Representatives (if the committee be a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Committee on Appropriations of the Senate (if the committee be a Senate committee or a joint committee whose funds are disbursed by the Secretary of the Senate).'"

On page 19, in lieu of lines 21 and 22, insert the following:

"(2) At the end of the section, add the following new subsection:".

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86TH CONGRESS
2D SESSION

S. 3058

AMENDMENTS

Intended to be proposed by Mr. WILLIAMS of Delaware to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

APRIL 25, 1960

Ordered to lie on the table and to be printed

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

APRIL 25, 1960
Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. AIKEN (for himself and Mr. WILLIAMS of Delaware) to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

On page 23, beginning with line 22, strike out over through line 5 on page 24.

On page 24, line 6, strike out "(c)" and insert "(b)".

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Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

AMENDMENTS

Intended to be proposed by Mr. AIKEN (for himself and Mr. WILLIAMS of Delaware) to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

APRIL 25, 1960

Ordered to lie on the table and to be printed

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

APRIL 27, 1960
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. DOUGLAS (for himself, Mr. KEATING, Mr. MANSFIELD, Mr. MORSE, Mr. HUMPHREY, Mr. SCOTT, Mr. KENNEDY, Mr. CLARK, Mr. FONG, Mr. BARTLETT, Mr. HART, Mr. GRUENING, Mr. YOUNG of Ohio, Mr. BRUNSDALE, Mr. CASE of New Jersey, Mr. KUCHEL, Mr. WILLIAMS of New Jersey, Mr. DODD, and Mr. PROXMIRE) to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz: On page 11, between lines 8 and 9, insert the following:

STATEMENT OF POLICY

SEC. 2. Section 2 of the Mutual Security Act of 1954, as amended, which is a statement of policy, is further amended by adding at the end thereof the following:

"(f) It is the sense of the Congress that inasmuch as—

"(1) the United States favors freedom of navigation in international waterways and economic cooperation between nations; and

"(2) the purposes of this Act are negated and the peace of the world is endangered when nations which receive assistance under this Act wage economic warfare against other nations assisted under this Act, including such procedures as boycotts, blockades, and the restriction of the use of international waterways;

assistance under this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be administered to give effect to these principles, and, in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this Act or arising under the Agricultural Trade Development and Assistance Act of 1954, as amended, these principles shall be applied, as the President may determine, and he shall report on measures taken by the administration to insure their application."

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2D SESSION

S. 3058

AMENDMENT

Intended to be proposed by Mr. DOUGLAS (for himself, Mr. KEATING, Mr. MANSFIELD, Mr. MORSE, Mr. HUMPHREY, Mr. SCOTT, Mr. KENNEDY, Mr. CLARK, Mr. FONG, Mr. BARTLETT, Mr. HART, Mr. GRUENING, Mr. YOUNG of Ohio, Mr. BRUNSDALE, Mr. CASE of New Jersey, Mr. KUCHEL, Mr. WILLIAMS of New Jersey, Mr. DODD, and Mr. PROXMIRE) to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

APRIL 27, 1960
Ordered to lie on the table and to be printed

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

APRIL 28, 1960
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. ELLENDER to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

On page 19, beginning with line 21, strike out all through line 12, page 20.

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Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

AMENDMENT

Intended to be proposed by Mr. ELLENDER to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

APRIL 28, 1960

Ordered to lie on the table and to be printed

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

APRIL 28, 1960
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. ELLENDER to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

Chapter III of the Mutual Security Act of 1954, as amended, is further amended by adding to section 451 (b) thereof the following sentence: "But in no instance shall the funds authorized under this chapter be used to augment any other category of assistance for which appropriations have been provided pursuant to the authority of this Act, unless the President finds that such augmentations are made necessary by considerations which were either entirely unforeseen or foreseen so tentatively as not to justify firm programing at the time programs authorized under this Act were submitted to the Congress.".

4-28-60——P

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

AMENDMENT

Intended to be proposed by Mr. ELLENDER to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and and for other purposes.

APRIL 28, 1960

Ordered to lie on the table and to be printed

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

APRIL 28, 1960
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. GRUENING to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz: Amend section 401 by adding at the end thereof an appropriately lettered new subsection as follows:

Section 537 (f) is amended to read as follows:

"During the annual presentation to the Congress of requests for authorizations and appropriations of military assistance under this Act, there shall be submitted a clear and detailed explanation on a country-by-country basis of the force objectives toward the support of which such assistance is proposed to be furnished; the projected costs of equipping and the annual recurring costs of maintaining such force ob-

jectives, together with the estimated costs of present plans for modernizing such force objectives; and explanation of the degree to which such force objectives had been equipped, maintained, and modernized under programs already approved; the accomplishments to be achieved with the funds currently being requested, and estimates of the time-phased costs for carrying out the remainder of the program."

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

AMENDMENT

Intended to be proposed by Mr. GRUENING to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

APRIL 28, 1960

Ordered to lie on the table and to be printed

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

APRIL 28, 1960

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. LAUSCHE to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

On page 20, before the period in line 12, insert the following: "and no such currencies shall be so used until the President is satisfied that expenditures representing the remainder of such cost have been or will be made by other interested nations or organizations thereof".

4-28-60——C

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

AMENDMENT

Intended to be proposed by Mr. LAUSCHE to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

APRIL 28, 1960

Ordered to lie on the table and to be printed

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

APRIL 28, 1960

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. ELLENDER to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

On page 21, beginning with line 17, strike out through line 20.

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Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

AMENDMENT

Intended to be proposed by Mr. ELLENDER to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and and for other purposes.

APRIL 28, 1960

Ordered to lie on the table and to be printed

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

APRIL 28, 1960

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. ELLENDER to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

On page 20, beginning with line 15, strike out all through line 21.

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Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

AMENDMENT

Intended to be proposed by Mr. ELLENDER to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

APRIL 28, 1960
Ordered to lie on the table and to be printed

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

APRIL 28, 1960

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. LAUSCHE to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

On page 13, beginning with line 20, strike out over through line 11 on page 14.

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Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

AMENDMENT

Intended to be proposed by Mr. LAUSCHE to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

APRIL 28, 1960
Ordered to lie on the table and to be printed

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

APRIL 28, 1960

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. LAUSCHE to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

On page 19, beginning with line 21, strike out over through line 12 on page 20.

4-28-60——B

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

AMENDMENT

Intended to be proposed by Mr. LAUSCHE to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

APRIL 28, 1960
Ordered to lie on the table and to be printed

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

APRIL 28, 1960

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. ELLENDER to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz: At the proper place insert the following:

SEC. 552. Not less than 50 per centum of the funds made available under chapter II and chapter III of this Act shall be expended within the United States, unless the President finds that it is in the national interest that this requirement be waived.

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Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

AMENDMENT

Intended to be proposed by Mr. ELLENDER to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

APRIL 28, 1960

Ordered to lie on the table and to be printed

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

APRIL 28, 1960
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. ELLENDER to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

On page 11, line 25, strike out the period and add the following: "but in no case shall any reimbursement by the International Cooperation Administration to the Department of Defense, or any agency thereof, for such excess equipment exceed the usual value of excess equipment as determined under section 545 (h) of this Act.".

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Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

AMENDMENT

Intended to be proposed by Mr. ELLENDER to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

APRIL 28, 1960
Ordered to lie on the table and to be printed

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

APRIL 28, 1960

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. ELLENDER to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

On page 22, beginning with line 18 strike out all through line 20.

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Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

AMENDMENT

Intended to be proposed by Mr. ELLENDER to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and and for other purposes.

APRIL 28, 1960

Ordered to lie on the table and to be printed

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

APRIL 28, 1960
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. ELLENDER to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz: At the proper place insert the following:

Section 401 of the Mutual Security Act of 1954, as amended, is further amended by deleting the last sentence thereof, striking the period after the word "force", inserting a comma in lieu thereof, and adding the following: "*Provided, however,* That no funds authorized under this Act shall be used to extend financial or other support to the United Nations Emergency Force in the Middle East in excess of the contribution levied upon the United States by the United Nations, in accordance with the regular assessment scale for the United Nations budget."

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

AMENDMENT

Intended to be proposed by Mr. ELLENDER to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

APRIL 28, 1960
Ordered to lie on the table and to be printed

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

APRIL 28, 1960

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. SALTONSTALL to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

On page 21, line 8, after the word "regulations" insert a comma and the following: "including the right of appeal in hardship cases,".

On page 21, line 8, strike out the word "officers" and insert in lieu thereof "members of the armed services".

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Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

AMENDMENTS

Intended to be proposed by Mr. SALTONSTALL to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

APRIL 28, 1960
Ordered to lie on the table and to be printed

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

APRIL 28, 1960

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. ELLENDER to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

On page 23, beginning with line 16, strike out all through line 10, page 24.

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Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

AMENDMENT

Intended to be proposed by Mr. ELLENDER to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

APRIL 28, 1960

Ordered to lie on the table and to be printed

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

APRIL 28, 1960

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. GRUENING to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

Amend section 401 by renumbering subsections e, f, g, h, and i as f, g, h, i, and j, respectively, and insert after subsection (d) the following new subsection:

"(e) Section 517, which relates to completion of plans and cost estimates, is amended as follows:

"'(1) Insert "(a)" immediately after "SEC. 517" and following section 517 (a) as renumbered, insert the following new subsection:

"'"(b) Each nonmilitary program or project for the purpose of flood control, hydroelectric power development,

reclamation of land, highway construction or improvement, airport construction or improvement, railway construction or improvement, harbor construction or improvement, navigation improvement, housing or hospital construction and programs and projects related to such activities herein specifically enumerated which are proposed for construction under authority of title I, II, or III (except section 306) of chapter II, under section 400 or under section 451 of this Act and for which the estimated total cost is $1,000,000 or more shall be separately authorized by the Congress and no funds for such projects shall be appropriated without such prior authorization."'"

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S. 3058

AMENDMENT

Intended to be proposed by Mr. GRUENING to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

APRIL 28, 1960

Ordered to lie on the table and to be printed

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

APRIL 28, 1960
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. GRUENING to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz: Amend section 401 by adding at the end thereof an appropriately lettered new subsection as follows:

Section 537 (f) is amended to read as follows:

"Within ninety calendar days after the enactment of the Act making appropriations for the fiscal year 1960 and subsequent fiscal years for carrying out the purposes of this Act, there shall be submitted to the cognizant committees of the House and Senate detailed budgets on a country-by-country basis setting forth, with respect to defense support, technical cooperation, and special assistance, the specific pur-

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poses in detail by amounts for which the funds available will be obligated during the respective fiscal year, and such funds shall be available only for the purposes thus specified: *Provided*, That this subsection shall not apply to funds affected by the use of sections 451 (a) or 501 of this Act, or to reasonable variations in the use of funds within a country for purposes other than those specified in the detailed budgets."

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86TH CONGRESS
2D SESSION

S. 3058

AMENDMENT

Intended to be proposed by Mr. GRUENING to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

APRIL 28, 1960

Ordered to lie on the table and to be printed

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

APRIL 28, 1960
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. GRUENING to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

Amend section 401 by renumbering subsections e, f, g, h, and i as f, g, h, i, and j, respectively, and insert after subsection (d) the following new subsection:

"(e) Section 517, which relates to completion of plans and cost estimates, is amended as follows:

"'(1) Insert "(a)" immediately after "SEC. 517." and following section 517 (a) as renumbered, insert the following new subsection:

"'"(b) All nonmilitary flood control, reclamation, and other water and related land resource programs or projects

proposed for construction under titles I, II, or III (except section 306) of chapter II, under section 400, or under section 451 of this Act, shall be examined by qualified engineers, financed under this Act, in accordance with the general procedures prescribed in circular A–47 of the Bureau of the Budget, dated December 31, 1952, for flood control, reclamation, and other water and related land resource programs and projects proposed for construction within the continental limits of the United States of America. In all cases the benefits and costs shall be determined, and a copy of the determination shall be submitted to the Speaker of the House of Representatives and the Foreign Relations Committee and the Appropriations Committee of the Senate. No such program or project shall be undertaken on which the benefits do not exceed the costs and which does not otherwise meet the standards and criteria used in determining the feasibility of flood control, reclamation, and other water and related land resource programs and projects proposed for construction within the continental limits of the United States of America as per circular A–47 of the Bureau of the Budget, dated December 31, 1952.'''"

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S. 3058

AMENDMENT

Intended to be proposed by Mr. GRUENING to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

APRIL 28, 1960

Ordered to lie on the table and to be printed

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

APRIL 28, 1960
Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. JOHNSTON of South Carolina to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

On page 20, between lines 21 and 22, insert the following:

"(d) In section 510, which relates to purchase of commodities, strike out the third sentence and substitute the following: 'Funds made available under chapter II of this Act may not be used for the procurement of a commodity outside the United States: *Provided,* That not more than 65 per centum of such funds from and after the date of enactment of the Mutual Security Act of 1960 may be used for the procurement of a commodity outside the United States

if the President determines that such procurement will not result in adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, or to the net position of the United States in its balance of trade with the rest of the world, which outweigh the economic advantages to the United States of less costly procurement abroad, except that if the President determines that the rate of employment in an industry producing a commodity is depressed, none of such funds shall be used for the procurement of such commodity outside the United States.'"

Redesignate subsections (d) to (i) inclusive, as (e) to (j), respectively.

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86TH CONGRESS
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S. 3058

AMENDMENTS

Intended to be proposed by Mr. JOHNSTON of South Carolina to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

APRIL 28, 1960

Ordered to lie on the table and to be printed

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

APRIL 29, 1960
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. FULBRIGHT to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz: At the proper place insert:

SEC. 2. Section 2 of the Mutual Security Act of 1954, as amended, which is a statement of policy, is further amended by adding at the end thereof the following:

"(g) In giving effect to the principles expressed in subsection (f) above, the President should not normally regard them as applicable to a situation wherein two or more nations receiving assistance under this Act or surpluses under the Agricultural Trade Development and Assistance Act of 1954, as amended, are engaged in actions

detrimental to United Nations efforts to maintain peace and stability, and application of the above mentioned principles would in the judgment of the President constitute partiality by the United States relating to the merits of the cause advanced by any one of the antagonists."

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

AMENDMENT

Intended to be proposed by Mr. FULBRIGHT to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

APRIL 29, 1960

Ordered to lie on the table and to be printed

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

IN THE SENATE OF THE UNITED STATES

APRIL 29, 1960
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. FULBRIGHT to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz: On page 18, end of line 13, insert the following:

It is the sense of the Congress that the refugees wishing to return to their homes and live at peace with their neighbors should be permitted to do so at the earliest practicable date, and that compensation should be paid for the property of those choosing not to return and for loss of or damage to property which, under principles of international law or in equity, should be made good by the governments or authorities responsible.

4-29-60——B

Calendar No. 1319

86TH CONGRESS
2D SESSION

S. 3058

AMENDMENT

Intended to be proposed by Mr. FULBRIGHT to the bill (S. 3058) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

APRIL 29, 1960

Ordered to lie on the table and to be printed